Essays on Say-on-Pay: theoretical analysis, literature review and empirical evidence from Germany

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Abkürzungsverzeichnis

AktG	Aktiengesetz
AktG-E	Aktiengesetz-Entwurf
ARR	Aktionärsrechterichtlinie
ARUG II-RefE	Referentenentwurf des Bundesministeriums der Justiz und für Verbraucherschutz: Entwurf eines Gesetzes zur Umsetzung der zweiten Aktionärsrechterichtlinie
BAT	Behavioral Prinzipal Agent Theory
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
HV	Hauptversammlung(en)
PAT	Prinzipal-Agenten-Theorie
SOP	Say-on-Pay
SST	Stewardship-Theorie
VHB	Verband der Hochschullehrer für Betriebswirtschaft
VorstAG	Gesetz zur Angemessenheit der Vorstandsvergütung

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1. Einführung

1.1 Forschungsrelevanz

Die Vergütung von Mitgliedern des Top-Managements (exekutive Direktoren im One-Tier-System bzw. Vorstand im Two-Tier-System) in börsennotierten Aktiengesellschaften ist seit Anfang des 20. Jahrhunderts ein kontrovers diskutiertes Thema in der Betriebswirtschaftslehre (Berle und Means 1932). Insbesondere die Prinzipal-Agenten-Theorie (PAT) hat die Debatte bislang geprägt; durch einflussreiche Analysen von Ross (1973), Jensen und Meckling (1976), Fama und Jensen (1983a, 1983b) sowie Jensen und Murphy (1990) geriet neben der Höhe der Vergütung insbesondere ihre Anreizwirkung in den Fokus der theoretischen und empirischen Forschung (Rau 2015). In diesem Kontext wird argumentiert, dass ein nutzenmaximierender Vorstand über eine angemessene Beteiligung am Unternehmenserfolg motiviert werden muss, sein Humankapital bestmöglich im Sinne der Eigenkapitalgeber einzusetzen. Dieser Logik folgend kann die Vorstandsvergütung derart ausgestaltet werden, dass der aus der PAT resultierende Interessenskonflikt zwischen Vorstand (Agent) und Aktionär (Prinzipal) minimiert wird (Jensen und Meckling 1976).

Durch den überproportionalen Anstieg der Vorstandsvergütung in der zweiten Hälfte des letzten Jahrhunderts und die erhebliche Trennung von Vergütung und Unternehmenserfolg entstanden allerdings wesentliche Zweifel an der Wirksamkeit der anreizbasierten Managementvergütung (Aguinis et al. 2018; Yermack 2006; Bebchuk und Fried 2004; Tosi et al. 2000). Fehlerhafte Vergütungssysteme mit einem kurzfristigen Zeithorizont und erhöhten Anreizen zur Risikointensivierung wurden mitverantwortlich gemacht für die vergangene Finanzmarktkrise 2008/09 (Bebchuk et al. 2010; Roberts 2010) und Unternehmensskandale wie Enron (Kulik 2005). Kritiker führen in diesem Zusammenhang an, dass die aktuellen Vergütungspraktiken primär den kurzfristigen Unternehmenserfolg beeinflussen und zulasten der nachhaltigen Unternehmensentwicklung gehen (Maske und Hirsch 2018; Milidonis und Stathopoulos 2011).

Dabei konzentriert sich die Kritik vor allem auf börsengehandelte Publikumsgesellschaften, welche auch im Fokus dieser Arbeit stehen. Da die Streuung der Aktionärsstruktur mit zunehmender Unternehmensgröße steigt, ist bei diesen Unternehmen die höchste Informationsasymmetrie zu erwarten (Jensen und Meckling 1976). Auch die theoretischen Probleme zur Regulierung der Vorstandsvergütung konzentrieren sich insbesondere auf Gesellschaften mit Streubesitz (Murphy und Jensen 2018). Börsengehandelte Aktiengesellschaften haben häufig keinen Mehrheitsaktionär und entsprechend geringe direkte Aufsichts- und Eingriffsmöglichkeiten durch die Eigentümer. Unter diesen Umständen ist eine exzessive Vergütung des Vorstands oder fehlende Anreize in der Vergütungsstruktur eher zu erwarten als bei kleineren, nicht kapitalmarktorientieren Unternehmen (Cieślak 2018; Shleifer und Vishny 1997). Als exzessive Bezüge wird in der Literatur meist jener Teil der Vergütung bezeichnet, der sich weder durch ökonomische noch firmen- oder personenspezifische Faktoren erklären lässt (Core et al. 2008; Guay et al. 2003).

Um Managementverträge mit einer exzessiven Vergütung oder einer nicht anreizkompatiblen Struktur zu verhindern, sind aus regulatorischer Sicht vielfältige Maßnahmen möglich. Diese sind in *Abbildung 1* (eigene Darstellung) dargestellt. Grundsätzlich kann zwischen direkten (aktiven) Eingriffen und indirekten (passiven) Maßnahmen unterschieden werden. Aktive Eingriffe in die Vorstandsvergütung können beispielsweise durch gesetzliche Höchstgrenzen oder steuerliche Malus-Regeln erfolgen, während passive Eingriffe über eine erhöhte Transparenz (z.B. Vergütungsbericht) und mehr Mitspracherechte von Aktionären (z.B. Say-on-Pay) durchgeführt werden.

Aktive Eingriffe über gesetzliche Höchstgrenzen für Managergehälter sind bislang aus internationaler Sicht selten, da sie einen unverhältnismäßigen Einschnitt in die Autonomie der Unternehmung und die einhergehende Vertragsfreiheit darstellen (Dittmann et al. 2011). Derartige Regulierungen werden sowohl im internationalen Schrifttum (Edmans und Gabaix 2009; Guay et al. 2003) als auch in Deutschland (Treitschke 2013) kritisch beurteilt. Ein direkter Eingriff durch die Begrenzung der steuerlichen Abzugsfähigkeit begründet dagegen eine geringere Einschränkung der Vertragsfreiheit und kommt in der internationalen Regulierungspraxis vereinzelt vor

(Dittmann et al. 2011; Thüsing und Forst 2010). So sieht beispielsweise der US Internal Revenue Code, Section 162(m) eine steuerliche Begrenzung für den Abzug bestimmter Gehaltsbestandteile vor (Guay et al. 2003). Allerdings zeigen sowohl formal-theoretische Modellergebnisse (Voßmerbäumer 2012; Göx 2008) als auch empirische Untersuchungen (Ehrlich und Radulescu 2017; Grinstein et al. 2017; Yermack 2006; Rose und Wolfram 2002), dass derartige Instrumente selten und nur unter bestimmten Voraussetzungen die gewünschten Anreizeffekte ausüben.

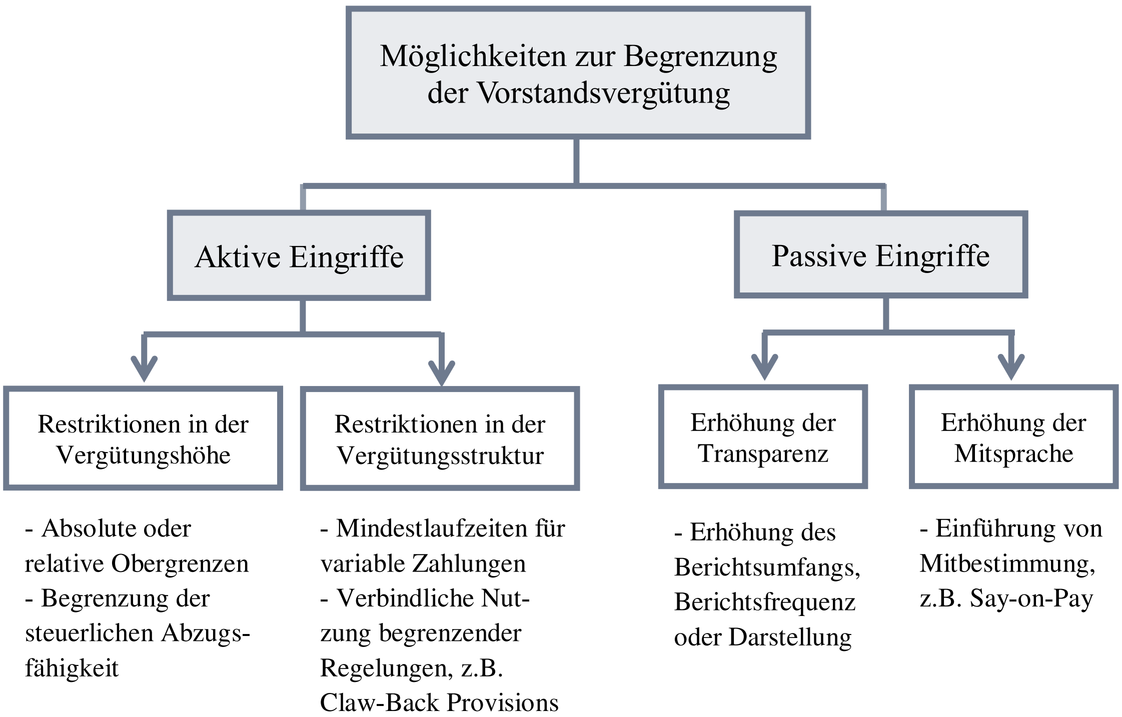

Abbildung 1: Regulierung der Vorstandsvergütung

Aus diesem Grund setzen die aktuellen Normierungen primär auf indirekte (passive) Eingriffe. Die angepasste EU-Aktionärsrechterichtlinie aus dem Jahre 2017 beispielsweise setzt auf 1) die EU-weite Einführung eines Vergütungsberichts und 2) die Einführung einer obligatorischen Aktionärsabstimmung über die Vergütungspolitik und den -bericht von Vorstand und Aufsichtsrat (Velte 2018).[1] Die Abstimmung über die Angemessenheit der Vorstandsvergütung wird im Allgemeinen als Say-on-Pay (SOP) bezeichnet. Der Vergütungsbericht als neues EU-Pflichtmedium bei börsennotierten Aktiengesellschaften soll sicherstellen, dass die Eigenkapitalgeber und andere Unternehmensadressaten exzessive Vergütungsstrukturen leichter identifizieren können. Die Abstimmung über die Vergütung des Vorstands ist kein neues Instrument, wird jedoch im Zuge der EU-Richtlinie durch die zweifache Abstimmung über die abstrakte Vergütungspolitik und den konkreten Vergütungsbericht weiter ausgebaut. SOP wurde erstmals in Großbritannien im Rahmen des Directors Remuneration Act 2002 eingeführt (Conyon und Sadler 2010). Weitere Länder wie beispielsweise Australien (2004), die Niederlande (2004), Frankreich (2005), Deutschland (2009) und die USA (2010) folgten dem Beispiel Großbritanniens und führten ähnliche Regelungen ein (Thomas und Von der Elst 2015).

Die Befürworter des Vergütungsvotums führen an, dass eine optimale Anreizkompatibilität der Vorstandsvergütung ohne Mitspracherechte der Aktionäre kaum möglich ist (Ortner 2017; Cotter et al. 2013; Bebchuk 2005). Darüber hinaus ist zu beachten, dass ein SOP im Vergleich zu bilateralen Gesprächen zwischen Aktionären und Unternehmensverwaltung effizienter ist, da es weniger Koordinierungs- und Abstimmungsaufwand generiert. Dies ist speziell für institutionelle Investoren wie Pensionsfonds, Rentenfonds oder Versicherungen von Interesse, da diese eine treuhänderische Verpflichtung gegenüber ihren Anlegern haben, die sie (kosten-)effizient erfüllen müssen (Cotter et al. 2013). Daher sind gerade institutionelle Investoren motiviert, ineffiziente Vergütungsverträge zu identifizieren (Brandes et al. 2008).

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[1] Richtlinie 2017/828 des Europäischen Parlaments und Rates v. 17. Mai 2017, abgerufen am 21.07.2018 unter: http://linklaters.de/fileadmin/redaktion/Gesellschaftsrecht_M_A/Gesetzesmaterialien/Aktion%C3%A4rsrechterichtlinie/170520_RiLi_DE.pdf

Nicht nur für Investoren, sondern auch für den Aufsichtsrat (Two-Tier-System) bzw. die nicht-exekutiven Direktoren (One-Tier-System) kann ein SOP vorteilhaft sein. Sofern es gelingt, die Kontrolle über die Angemessenheit der Vergütung an die Aktionäre zurückzuleiten, könnte sich der Aufsichtsrat mehr auf seine strategische Beraterfunktion gegenüber dem Vorstand konzentrieren (Drygala 2012). Gleichzeitig würde eine hohe Zustimmungsquote der Aktionäre zum Vergütungssystem eine erfolgreiche Arbeit des Aufsichtsrats zum Ausdruck bringen. Zudem tritt bei einer (drohenden) Ablehnung der Vergütungsstrukturen ein disziplinarischer Effekt aufseiten des Aufsichtsrats ein (Heidel 2014). Analog zum Vorstand können opportunistische Anreize des Aufsichtsrats durch eine Stärkung der Aktionärsrechte mittels SOP eine Machtbalance zwischen Vorstand, Aufsichtsrat und Hauptversammlung (HV) in Vergütungsfragen erzielen (Bebchuk und Fried 2004, 2006).

Allerdings wird diese Kompetenzverschiebung zulasten des Aufsichtsrats und zugunsten der Aktionäre insbesondere vor dem Hintergrund des deutschen Two-Tier-Systems und der betrieblichen Mitbestimmung kontrovers diskutiert. Die Kritiker einer stärkeren SOP-Regulierung führen hierbei einen möglichen Systembruch an (Bungert und Wansleben 2017). Während im monistischen bzw. Board-System die Aktionäre vielfältige Mitbestimmungsrechte wahrnehmen, ist im dualistischen System der Aufsichtsrat für die Vorstandsvergütung verantwortlich (Millet-Reyes und Zhao 2010). Eine unreflektierte Übernahme des SOP-Mechanismus aus monistischen Systemen in das Kompetenzgefüge der deutschen Aktiengesellschaft wird daher primär im juristischen Schrifttum als „Fremdkörper" abgelehnt (Dauner-Lieb et al. 2010, S. 377). Ferner wird angezweifelt, dass die Beschlussfassung über die Angemessenheit der Vorstandsvergütung tatsächlich zu einer Verbesserung der Unternehmensführung und -überwachung (Corporate Governance) in der deutschen Aktiengesellschaft beiträgt (Leuering 2017). Inwiefern die vorgetragenen Argumente der SOP-Kritiker zutreffen und das Vergütungsvotum tatsächlich einen Fremdkörper im deutschen Two-Tier-System darstellt, muss auf Basis empirischer Forschungsergebnisse beurteilt werden. Die damit einhergehenden Forschungslücken werden im Anschluss vorgestellt.

1.2 Forschungslücken

Die Grundlage einer empirischen Untersuchung bildet zunächst die Theorie. Dabei ist vor allem die oben beschriebene PAT weit verbreitet (Boivie et al. 2016). Sie wird vor allem bei der Analyse der Vorstandsvergütung verwendet (Martin et al. 2013) und ihr Beitrag zur Forschung ist vielfach anerkannt (Gomez-Mejia und Wiseman 2007; Gomez-Mejia et al. 2005). Dennoch gibt es eine laufende Debatte über ihre Nützlichkeit; es wird argumentiert, dass die PAT mitverantwortlich ist für destruktive und risikoreiche Vergütungssysteme (Roberts 2010; Bebchuk und Spamann 2010). Dies liegt nach Ansicht der Kritiker an dem Fehlen von sozialen (Zahra 2007; Lubatkin et al. 2007; Bruce et al. 2005) und kulturellen (Brown-Johnson und Droege 2004) Aspekten. Zudem stehen die einseitigen Annahmen über das eigennützige Verhalten und die rein monetäre Motivation von Managern in der Kritik (Ghoshal 2005). Als Reaktion auf diese Probleme sind verschiedene entgegengesetzte Theorie entstanden. Unter diesen Theorien ist die Stewardship Theory (SST) von Donaldson (1990) sowie Davis et al. (1997) das wohl bekannteste und am meisten verbreitete Konzept (Velte 2009b). Die SST basiert auf psychologischen Eigenschaften und es wird argumentiert, dass Vorstände als Agenten nicht zwingend eigennützig handeln, sondern als gute Verwalter (Stewards) das Unternehmen führen können (Donaldson und Davis 1991). Stewards sind demnach im Gegensatz zu Agenten vertrauenswürdig, kollektivistisch und team- bzw. organisationsorientiert.

Allerdings ist das Wissen über die SST im Vergleich zur PAT vergleichsweise gering; folglich sind Untersuchungsergebnisse zur SST äußerst begrenzt (Hernandez 2012). Bisherige empirische Forschungsergebnisse unterstützen die SST nur teilweise (Tosi et al. 2003) oder unter bestimmten Bedingungen (Muth und Donaldson 1998). Es wird daher argumentiert, dass keine grundsätzliche Abkehr von der PAT erforderlich ist, sondern die Annahmen über das Verhalten von Agenten modifiziert werden müssen (Wiseman et al. 2012). Solche Modifizierungen können durch die Berücksichtigung von verhaltensorientierten Charakteristika erfolgen (Bosse und Phillips 2016; Pepper und Gore 2015). Dadurch kann unter Umständen die Verbindung aus SST und PAT erfolgen, da bei einem Steward das eigennützige Verhalten (zumindest teilweise) durch soziale Normen, Werte oder altruistische Motive ersetzt wird (Bruce et al. 2005). Als erstes Forschungsziel soll daher geprüft werden, wie die beiden gegensätzlichen Theorien durch die Verwendung von verhaltensorientierten Charakteristiken zusammengeführt werden können. Dies ist wichtig, da die anreizkompatible Vergütung von Vorständen in der PAT ein zentrales Element zum Interessenausgleich einnimmt, während sie in der SST für einen Interessenausglich nicht zwingend erforderlich ist (Davis et al. 1997; Donaldson und Davis 1991). Langfristige Anreizmechanismen im Sinne der PAT reduzieren die Agenturkosten und erhöhen damit den Nutzen der Aktionäre, wohingegen im Sinne der SST solche Zahlungen keinen wesentlichen Effekt haben (Donaldson und Davis 1991). Die unterschiedliche Wertigkeit monetärer Anreize hat einen direkten Einfluss auf die Wahrnehmung der Vergütung, welche im Rahmen des SOP zur Abstimmung steht.

> *Forschungsziel 1: Kombination von PAT und SST unter Verwendung verhaltensorientierter Aspekte.*

Auf Basis der theoretischen Weiterentwicklung können dann die Forschungsarbeiten zum Vergütungsvotum untersucht werden. Der Themenbereich SOP lässt sich aus Forschungssicht als Schnittstelle zwischen Analysen *1) zur Höhe und Struktur der Vorstandsvergütung* einerseits und *2) zum Shareholder-Aktivismus* andererseits klassifizieren. Im Bereich der *Vorstandsvergütung* fassen zahlreiche Literaturanalysen aktuelle Forschungsergebnisse zusammen und belegen die zunehmende Komplexität und Interdisziplinarität des Themas (Edmans et al. 2017; Rau 2015; van Essen et al. 2012; Frydman und Jenter 2010; Frydman und Saks 2010; Devers et al. 2007; Werner und Ward 2004). Weitere Analysen thematisieren einzelne Teilbereiche, wie beispielsweise die Vergütungsregulierung (Murphy 2012; Faulkender und Yang 2010) oder die Wirkung der Anreizintensität (Edmans und Gabaix 2009; Guay et al. 2003).

Auch zum *Shareholder-Aktivismus* liegen unterschiedliche Literaturanalysen vor (Denes et al. 2017; Goranova und Ryan 2014; Brandes et al. 2008). Die Ergebnisse verdeutlichen, wie Aktionäre verschiedene Corporate-Governance-Mechanismen verwenden, um ihre überwiegend finanziellen Interessen zu vertreten. Dabei wird der direkte Einfluss über die Stimmrechtsausübung vor allem verwendet, um die gezielte

Platzierung von Vorständen und externen Direktoren zu ermöglichen. Weitere Literaturübersichten befassen sich darüber hinaus mit ausschließlich nicht-finanziell motiviertem Aktivismus von nachhaltigen Investoren (Cundill et al. 2018) oder mit bestimmten Investorengruppen, wie den institutionellen Investoren (Brav et al. 2009; Ryan und Schneider 2002). Die bibliometrische Analyse von Ma und Liu (2016) zeigt, dass sich die Forschung zum Shareholder-Aktivismus seit dem Jahre 2013 überwiegend mit der Begrenzung der Vorstandsvergütung und SOP-Abstimmungen befasst.

Dabei lässt sich SOP als spezielle Form des Shareholder-Aktivismus klassifizieren, bei dem weniger die Unternehmung insgesamt, sondern vielmehr die Vorstandsvergütung im Fokus steht. Literaturanalysen zu Vergütungsabstimmungen sind jedoch selten: Thomas und Von der Elst (2015) konzentrieren sich aus juristischer Sicht auf die gesetzlichen Rahmenbedingungen zum SOP in verschiedenen Ländern und nicht auf die Resultate und Ergebnisse der Vergütungsabstimmung aus ökonomischer Sicht. Stathopoulos und Voulgaris (2015) gehen dagegen aus betriebswirtschaftlicher Perspektive auf die Ergebnisse von SOP-Abstimmungen sowie deren Vergütungseffekte ein, vernachlässigen allerdings weitgehend die Gründe für eine Ablehnung durch die Aktionäre. Eisenschmidt (2016) betrachtet zwar das Vergütungsvotum vollumfänglich, fasst allerdings nur wenige Studien aus Deutschland zusammen. Alle Literaturübersichten unterstellen gesetzliche SOP-Ausgestaltungen und klammern damit Forschung zu Aktionärsabstimmungen aus, die nicht gesetzlich zwingend, aber explizit durch die Aktionäre gefordert worden sind (sog. Proxy Votes). Die Einbeziehung der Proxy Votes ist jedoch relevant, weil dadurch eine Vergütungsabstimmung veranlasst werden kann, auch wenn (noch) keine spezielle SOP-Regulierung in dem betrachteten Land existiert. Daher ist eine umfassendere Auswertung der Literatur unter Einbezug aller Vergütungsabstimmungen notwendig, unabhängig davon, ob sie gesetzlich vorgeschrieben sind oder durch Aktionäre aktiv eingefordert wurden.

> *Forschungsziel 2: Systematische Literaturanalyse zu den bisherigen Forschungsergebnissen zum SOP sowie zum vergütungsbezogenen Shareholder-Aktivismus durch sog. Proxy Votes.*

Aus empirischer Sicht ist zu berücksichtigen, dass die bisherige Forschung zur Vorstandsvergütung und zum SOP überwiegend aus angelsächsisch geprägten Ländern, insbesondere den USA und Großbritannien, stammen. Die Dominanz von Stichproben basierend auf angloamerikanischen Archivdaten ist ein lang anhaltendes Charakteristikum der empirischen Corporate-Governance-Forschung, welches sich in der letzten Dekade weiter verstärkt hat (Velte und Eulerich 2014). So zeichnet beispielsweise eine internationale Metaanalyse zur Vorstandsvergütung von van Essen et al. (2012) ein deutliches Bild: Der Datensatz basierte auf 332 Primärstudien aus 29 Ländern, wobei alleine die USA über die Hälfte (57 %) der Gesamtgröße der Stichprobe ausmachten. Zusammen mit Großbritannien kommen die beiden angelsächsischen Länder auf 72 %. Im Vergleich hierzu tragen kontinental-europäische Länder wie Deutschland (0,55 %), Schweiz (0,10 %) oder die Niederlande (0,26 %) nur marginal zur Stichprobe bei. Ursächlich hierfür sind nicht nur die sozioökonomischen Rahmenbedingungen (z.B. Attraktivität des Eigenkapitalmarkts und der aktiven Einflussnahme durch Investoren), sondern auch bessere Datengrundlagen für umfangreiche Erhebungen.

Das Problem dieser einseitigen Verteilung besteht darin, dass die Ergebnisse aus den anglo-amerikanischen Ländern nur eingeschränkt auf Deutschland übertragbar sind. Dies ist dahingehend zu begründen, dass ein Corporate-Governance-System im Kontext des kulturellen und gesellschaftlichen Hintergrunds (Licht et al. 2005), der geltenden gesetzlichen Bestimmungen (La Porta et al. 2008), der politischen Ausrichtung (Pagano und Volpin 2005), der historischen Entwicklung (Fohlin 2007) sowie aktueller Gesetzesreformen (Enriques und Volpin 2007) analysiert werden muss. In diesem Zusammenhang ist eine Unterteilung in Markt-basierte Systeme (z.B. USA, UK) und Teamproduktion-basierte Systeme (z.B. Deutschland, Österreich) sinnvoll. Markt-basierte Systeme beruhen idealtypischerweise auf effizienten Kapitalmärkten, die durch aktive Investoren und Faktorpreis-bezogene Transaktionen gekennzeichnet sind (Conyon und Schwalbach 2000). Die angebotenen Leistungen sind häufig standardisiert, kurzfristig austauschbar und werden über Marktpreise effizient gehandelt (Velte und Weber 2011a). Der deutliche Einfluss des Kapitalmarkts spiegelt sich auch in der Vergütung der Vorstände wider. So sind Vergütungszahlung auf Basis von Aktien oder Aktienoptionen in Markt-basierten Systemen stärker verbreitet (Edmans et al. 2017).

Im Gegensatz dazu vertrauen Teamproduktion-basierte Systeme auf eine gegenseitige Abhängigkeit, die oftmals durch langfristige Kooperationen von Teilnehmern außerhalb eines geregelten Markts erfolgt (Velte und Weber 2011a). Die angeboten Leistungen sind in der Regel individualisiert und Transaktionspartner sind nur unter erhöhten Aufwendungen austauschbar (Conyon und Schwalbach 2000). Idealtypisch sollte die Vergütung in Teamproduktion-basierten Systemen daher monetäre Anreize zum Auf- und Ausbau dieser langfristigen Kooperationen beinhalten. Ob und zu welchem Grad eine Volkswirtschaft Markt- oder Teamproduktion-basiert ist, wird regelmäßig anhand des sog. Koordinations-Index gemessen (Hall und Gingerich 2009). Dieser Index hat weite Verbreitung in den Wirtschaftswissenschaften (Sauerwald et al. 2016) gefunden. Seine Skala liegt zwischen 0 (Markt-basiertes System) und 1 (Teamproduktion-basiertes System). Im Teilranking „Corporate Governance“ definieren die USA (0,00) und Großbritannien (0,14) das untere Ende der Skala, während Deutschland (0,95) sich am oberen Ende befindet (Hall und Gingerich 2009). Diese Unterscheidung ist insbesondere für die Vorstandsvergütung und das SOP von Relevanz, da die Vergütungssysteme in erheblichem Maß von der institutionellen Struktur in den jeweiligen Ländern abhängen (van Essen et al. 2012).

Aufgrund der unterschiedlichen Governance-Strukturen besteht eine empirische Forschungslücke zum SOP im deutschen Two-Tier-System. Es stellt sich die Frage, inwieweit Überwachungsmechanismen wie SOP aus Markt-basierten Systemen in Teamproduktion-basierten Systemen sinnvoll übertragen werden können. Die Differenzierung beider Systeme ist entscheidend, da das SOP einen direkten Einfluss auf die Ausgestaltung der Aufsichtsratstätigkeit und die Anreizwirkung der Vorstandsvergütung beitragen (Eisenhardt 1989; Dalton et al. 2007). Die anreizbasierte Vergütung soll die Interessen von Vorstand und Aufsichtsrat mit den Interessen der Aktionäre in Einklang bringen (Fama und Jensen 1983a). Dies erfolgt in der Regel durch eine variable Bonuszahlung mit Bezug zur Unternehmensleistung sowie durch die Ausgabe von Aktien oder Aktienoptionen an den Vorstand (Jensen 1986; Shleifer und Vishny 1997). Allerdings kann eine kurzfristige Ausrichtung der variablen Bezüge zu erhöhter Risikobereitschaft aufseiten des Vorstands führen. Dieses strategische Managementverhalten beeinflusste sowohl die Finanzmarktkrise 2008/09 (Bebchuk und Spamann 2010; Roberts 2010) und Unternehmenskrisen wie beispielsweise Enron (Kulik 2005).

Unklar ist, ob die Anreizprobleme einer kurzfristig orientierten Vergütung auf das deutsche System übertragbar sind, da die Anreizintensität in Deutschland deutlich geringer ausfällt als in den USA; unter Verwendung des Börsenwerts berechnet Göx (2016) einen Vergütungszuwachs von ca. 6 bis 8 Cent pro 1.000 Euro Unternehmenswertsteigerung. Die angelsächsischen Vergleichszahlen ergeben eine Erhöhung der Bezüge von ca. 3,25 Dollar pro 1.000 Dollar Marktwertsteigerung (Murphy und Jensen 2011). Ursächlich hierfür ist, dass variable Zahlungen in Deutschland stärker an die operative Unternehmensleistung und weniger – wie in angelsächsischen Ländern üblich – an die Aktienkursentwicklung gekoppelt sind (Bültel 2011; Rapp und Wolff 2010). Im Ergebnis beträgt beispielsweise die aktienbasierte Vergütung in Deutschland weniger als 10 % der Gesamtvergütung, während sie in den USA ca. 42 % ausmacht (Edmans et al. 2017).

> *Forschungsziel 3: Überprüfung der empirischen Wirkung von variablen Vorstandsvergütungen auf SOP-Abstimmungsergebnisse in Deutschland.*

Einen zentralen Mechanismus zur Überwachung der Vorstandsvergütung stellt die Aufsichtsratstätigkeit dar. Das deutsche Two-Tier-System ist im internationalen Vergleich deutlich seltener anzutreffen als das angelsächsische One-Tier-System (Bezemer et al. 2014; La Porta et al. 2008; Jungmann 2006). Obwohl im Sinne einer internationalen Konvergenzbestrebung zwischen One-Tier und Two-Tier-System die Meinung vertreten wird, dass sich das monistische System durch die Abspaltung in geschäftsführende und überwachende Direktoren nicht mehr wesentlich vom dualistischen System unterscheidet (Velte 2009a; Berrar 2001), ist der Aufsichtsrat tendenziell infolge der geringeren persönlichen Nähe zum Vorstand sowie der konsequenten Aufgabenverteilung beider Organe objektiver in seiner Überwachungstätigkeit (Zipperling 2012; Eichner und Delahaye 2010; Lutter 1995). Dem steht allerdings im

Vergleich zum monistischen System eine geringere Einbindung des Aufsichtsrats in das Unternehmen gegenüber, welche die Überwachungsqualität negativ beeinträchtigen kann (Millet-Reyes und Zhao 2010; Maassen 1999).

Im One-Tier-System wird dagegen die persönliche Nähe zwischen geschäftsführenden und überwachenden Direktoren im Board oftmals kritisiert (Brick et al. 2006). Insbesondere das im angloamerikanischen Raum beliebte „CEO-Duality"-Modell, d.h. die persönliche Identität zwischen Chief Executive Officer (CEO) und Board-Vorsitz, kann eine besondere Machtfülle des Vorsitzenden erzeugen, was die Kontrollfunktion beeinträchtigen kann (Dikolli et al. 2014). Hierbei lässt sich nach Maßgabe der Prinzipal-Agenten-Theorie auch ein Anreiz zur Durchsetzung einer exzessiven und nicht anreizkompatiblen Vergütung aus Sicht der geschäftsführenden Direktoren erklären (Brick et al. 2006).

Insofern kann die institutionelle Trennung von Leitung und Überwachung im deutschen Two-Tier-System bereits einen wirkungsvollen Mechanismus darstellen, um eine exzessive Vorstandsvergütung zu verhindern. Dies setzt allerdings eine angemessene Sorgfalt des Aufsichtsrats voraus (Wighardt und Berger 2017). Der Aufsichtsrat muss im Rahmen seiner Vergütungskompetenz u.a. darauf achten, dass die variablen Vergütungsbestandteile auf die langfristige Unternehmensentwicklung ausgerichtet sind und den Interessen der Aktionäre entsprechen (Eichner und Delahaye 2010). Insofern besteht eine Forschungslücke dahingehend, inwiefern der Aufsichtsrat im deutschen Two-Tier-System seinen Aufgaben nachkommt und moderierend in die Vorstandsvergütung eingreift sowie die Interessen der Aktionäre im Rahmen eines SOP durchsetzt.

> *Forschungsziel 4: Überprüfung, ob der Aufsichtsrat nach einer erhöhten SOP-Missbilligung die Vorstandsvergütung in Einklang mit den Interessen der Aktionäre bringt.*

Neben dem besonderen System der Unternehmensverfassung zeichnet sich Deutschland auch bislang durch eine im internationalen Vergleich seltene Variante der SOP-Regulierung aus. Seit dem Gesetz zur Angemessenheit der Vorstandsvergütung (VorstAG) aus dem Jahre 2009 können Unternehmen freiwillig ein Vergütungsvotum auf die Agenda der HV setzen. Dieses optionale SOP ist im internationalen Vergleich unüblich, da die Durchführung eines SOP in der Regel gesetzlich verpflichtend ist (Thomas und Von der Elst 2015). Insofern bietet der deutsche Kapitalmarkt ein natürliches Experiment, um ein freiwilliges Vergütungsvotum zu untersuchen. Erste Forschungsergebnisse aus Deutschland verdeutlichen, dass nicht jedes Unternehmen regelmäßig eine Abstimmung zulässt (Behrmann und Sassen 2016; Eulerich et al. 2014; Drefahl und Pelger 2013). Insbesondere Unternehmensfaktoren, wie die Größe (Eisenschmidt 2016), die Präsenz in einem bekannten Aktienindex (Eulerich et al. 2014) oder eine hohe Streuung des Aktienbesitzes (Powell und Rapp 2015) steigern die Abstimmungswahrscheinlichkeit. Die Ergebnisse bezüglich der Unternehmensleistung sind jedoch uneindeutig und die bisherigen Arbeiten ermitteln unterschiedliche oder insignifikante Effekte (Behrmann und Sassen 2016; Drefahl und Pelger 2013). Dagegen zeigen bisherige Forschungen aus den USA (Balsam et al. 2016) und Großbritannien (Alissa 2014), dass Aktionäre tendenziell selten die Vergütung ablehnen, wenn die finanzielle Unternehmensleistung überdurchschnittlich positiv ausfällt.

Dieser Zusammenhang hat direkte Implikationen für ein freiwilliges SOP in Deutschland. Wenn Manager nur in Zeiten überdurchschnittlicher Unternehmensleistung eine Abstimmung auf die Tagungsordnung der HV setzen, da sie eine hohe Zustimmung durch die Aktionäre erwarten, sind die Ergebnisse eines freiwilligen SOP systematisch verzerrt. Insbesondere das Einräumen eines Vergütungsvotums in Zeiten guter Unternehmensleistung mit dem Ziel eine hohe (exzessive) Gesamtvergütung billigen zu lassen erscheint hierbei problematisch. Für die regulatorische Gestaltung eines Vergütungsvotums muss daher überprüft werden, welche Auswirkung die Unternehmensleistung auf das SOP-Verhalten besitzt. Wenngleich die EU-Richtlinie zur Änderung der Aktionärsrechte aus dem Jahre 2017 künftig zwei zwingende SOP (Vergütungsbericht und Vergütungspolitik) vorsieht, ist es wichtig den Einfluss der Unternehmensleistung auf die Ablehnungsquote zu kennen; ein SOP kann die Vorstandsvergütung nur wirksam gestalten, wenn weniger die Unternehmensleistung als mehr die Vergütung im Vordergrund der Abstimmung steht (Fisch et al. 2018).

> *Forschungsziel 5: Ermittlung des Zusammenhangs zwischen Unternehmensleistung und SOP-Abstimmungswahrscheinlichkeit sowie SOP-Abstimmungsergebnissen.*

1.3 Zusammenfassung der Fachartikel

Die kumulative Dissertation besteht aus vier Fachartikeln, die über ein gemeinsames Rahmenpapier verbunden und vertieft werden. *Abbildung 2* (eigene Darstellung) visualisiert den Zusammenhang der Fachartikel und ordnet die jeweiligen Beiträge in den chronologischen Ablauf der Untersuchung ein. Zusätzlich zeigt *Abbildung 3* (eigene Darstellung) einen Überblick der Fachartikel nebst Titel, Autoren, Methodik, Stichprobe und dem aktuellen Bearbeitungsstatus. Für einen detaillierten Einblick wird auf die vollständigen Beiträge in den Anlagen I bis IV verwiesen. Die Arbeitsverteilung der Beiträge mit mehreren Autoren ist in Anlage V abgebildet. Die Inhalte aller Fachartikel werden in diesem Kapitel zusammengefasst vorgestellt.

Der 1. Fachartikel mit dem Titel *„Mutualistic Symbioses? Combining theories of agency and stewardship through behavioural characteristics“* beinhaltet eine theoretisch-konzeptionelle Analyse. Ausgehend von einer Vielzahl empirischer Forschungsergebnisse wird dargelegt, aus welchen Gründen die klassischen Anreiz- und Überwachungsinstrumente der PAT bislang unzureichend belegt wurden. Auf Basis dieser Ergebnisse wird argumentiert, wie die verhaltensorientierte Prinzipal-Agenten-Theorie (Behavioral Principal Agency Theory: BAT) nach Pepper und Gore (2015, 2014) sowie die SST nach Donaldson und Davis (1991) mit der neoklassischen PAT kombiniert werden können. Diese Verbindung ermöglicht die Ableitung von Hypothesen, die keine allgemeinen Vorhersagen über das Verhalten von Vorständen umfassen, sondern situativ und differenziert sind.

Dabei wird argumentiert, dass verhaltensorientierte Agenten sowohl ein individuell definiertes Maß an Fairness anstreben als auch reziprok handeln. Ein derartiger Vorstand wird dann eine faire Behandlung durch den Aktionär mit positiver Reziprozität (z.B. erhöhter Arbeitsanstrengung) widerspiegeln. In diesen Fällen wird der Vorstand in Übereinstimmung mit der SST als „guter Verwalter" des Unternehmens arbeiten. Sollte sich dieser hingegen durch beispielsweise übermäßig hohe variable Vergütung oder exzessive Kontrolle unfair behandelt fühlen, erfolgt die Reaktion durch negative Reziprozität. Der Vorstand wird in diesem Fall versuchen, durch einseitige Vorteilnahme die (gefühlt) unfaire Behandlung auszugleichen und das angestrebte Gleichgewicht wiederherzustellen. Diese einseitige Vorteilnahme manifestiert sich dann in einem Verhalten, dass mit der PAT übereinstimmt.

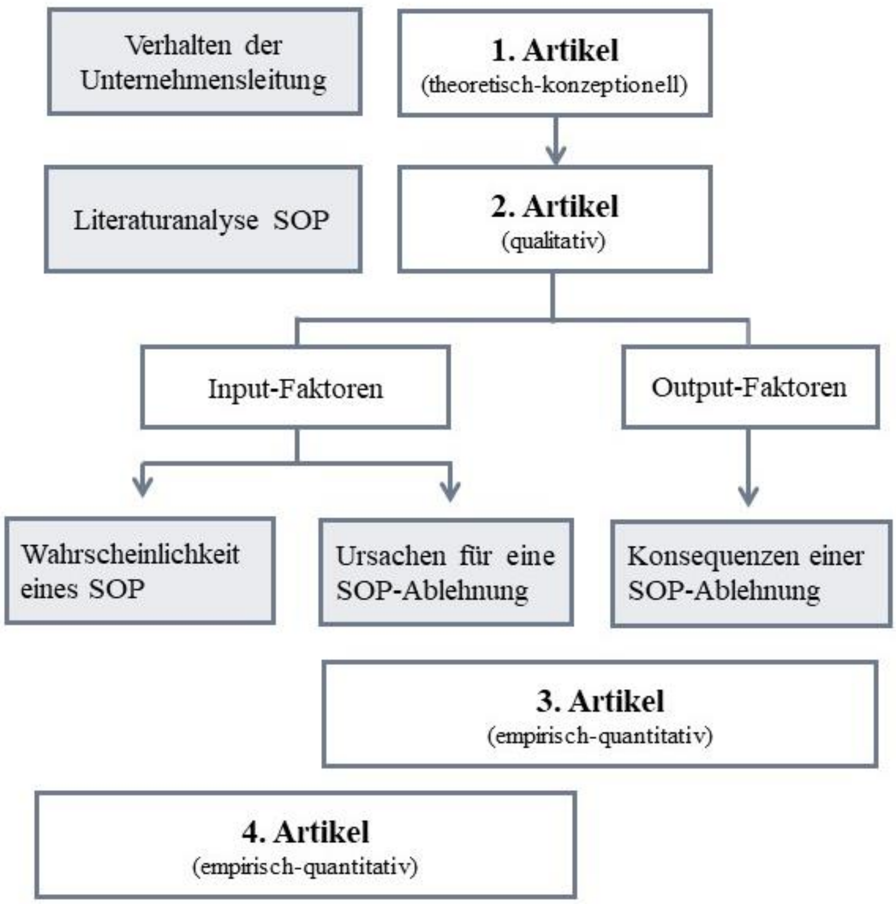


Abbildung 2: Verbindung der Fachartikel

	1. Artikel	2. Artikel	3. Artikel	4. Artikel
Forschungsziele	1. Forschungsziel	2. Forschungsziel	3. Forschungsziel und 4. Forschungsziel	4. Forschungsziel und 5. Forschungsziel
Titel	Mutualistic Symbioses? Combining theories of agency and stewardship through behavioural characteristics	Determinants and consequences of executive compensation-related shareholder activism and Say-on-Pay Votes	Can management-sponsored non-binding remuneration votes shape the executive compensation structure?	Let's talk about money!
Untertitel	-	A literature review and research agenda	Evidence from Say-on-Pay votes in Germany	Assessing the link between firm performance and voluntary Say-on-pay votes
Autor(en)	Jörn Obermann; Patrick Velte	Jörn Obermann; Patrick Velte	Jörn Obermann	Jörn Obermann
Methodik	Theoretisch-konzeptionell	Systematischer Literatur-Review	Empirisch-quantitativ	Empirisch-quantitativ
Stichprobe	-	71 empirische Fachartikel veröffentlicht zwischen Jan. 1995 und Sep. 2017	1.676 HVs mit 268 SOP-Abstimmungen zwischen 2010 und 2015	1.891 HVs mit 285 SOP-Abstimmungen zwischen 2010 und 2016
Datenquelle	-	ISI Web of Science, ScienceDirect, Emerald Insight, Wiley Library, u.w.	Thomson Reuters Datastream, händische Durchsicht aller HV-Protokolle	Thomson Reuters Datastream, händische Durchsicht aller HV-Protokolle
Punkte (eigener Anteil)	2/3	2/3	1,0	1,0
Status	Unter Begutachtung	Publiziert	Publiziert	Publiziert
Fachzeitschrift	Journal of Managerial Issues	The Journal of Accounting Literature	The European Journal of Finance	Journal of Business Economics
Ranking	VHB-Jourqual 3.0: C	VHB-Jourqual 3.0: B	VHB-Jourqual 3.0: B	VHB-Jourqual 3.0: B

Abbildung 3: Zusammenfassung der Artikel

Diese im Fachartikel aufgezeigte theoretische Entwicklung hat direkte Implikationen auf die Vorstandsvergütung; ein bestimmtes Maß an anreizbasierter Vergütung wird als angemessen empfunden und eine positive Reaktion hervorrufen. Sollte der Vorstand jedoch gezwungen werden einen übermäßig hohen Anteil an variabler Vergütung zu akzeptieren und damit das unternehmerische Risiko der Aktionäre zu teilen, wird er die Vergütungsstruktur als ungerecht empfinden und mit einer negativen Reaktion erwidern.[2] Der Artikel befindet sich unter Begutachtung und wurde in Ko-Autorenschaft mit Patrick Velte angefertigt.

Die theoretischen Ergebnisse aus dem 1. Fachartikel dienen als konzeptionelles Fundament für den nächsten Beitrag. Der 2. Fachartikel mit dem Titel „*Determinants and consequences of executive compensation-related shareholder activism and Say-on-Pay Votes - A literature review and research agenda*“ beinhaltet eine systematische Literaturanalyse. Der Beitrag deckt infolgedessen das zweite Forschungsziel ab und wertet 71 empirische Publikationen aus, die zwischen Januar 1995 und September 2017 publiziert worden sind. Zunächst wird im Fachartikel der aktuelle Forschungsstand zu SOP und vergütungsorientiertem Shareholder-Aktivismus reflektiert. So wird aufgezeigt, dass neben der Vorstandsvergütung auch die Unternehmensleistung sowie die Aktionärsstruktur relevant sind. Darauf basierend werden 19 konkrete Forschungsfragen als Handlungsempfehlungen abgeleitet. In Übereinstimmung mit den Ergebnissen des 1. Fachartikels teilen sich diese Fragestellungen in die wesentlichen theoretischen Konzepte der PAT, der um nicht-finanzielle Aspekte erweiterten PAT sowie der BAT auf. Zum einen decken die Forschungsfragen länderspezifische Eigenschaften ab, wie beispielsweise die Auswirkung der Transparenz und Qualität der Vergütungsberichte auf die SOP-Abstimmungsergebnisse. Zum anderen werden internationale Vergleiche zwischen verschiedenen Corporate-Governance-Systemen (Teamproduktion-basierten vs. Markt-basierten Systemen) behandelt. Dabei liegt der Fokus der Forschungsfragen zwar auf der empirisch-quantitativen Forschung unter Verwendung von Archivdaten, es werden aber auch

[2] Die empirische Belegung der in Fachartikel 1 theoretisch abgeleiteten concaven Beziehung zwischen anteilsbasierter Vergütung und SOP-Ablehnungsquote erfolgt in Fachartikel 3.

Forschungsideen für verhaltensorientierte Studien mit alternativen Datengrundlagen und Methoden diskutiert. Der Artikel wurde in Ko-Autorenschaft mit Patrick Velte erarbeitet. Die Publikation erfolgte im Januar 2018 im Journal of Accounting Literature, das im aktuellen VHB-Jourqual 3.0 mit dem Rating „B“ eingestuft wird.

Der 3. Fachartikel beschäftigt sich mit einer der 19 Forschungsfragen aus der Literturanalyse des 2. Fachartikels. Der empirisch-quantitative Beitrag mit dem Titel *„Can management-sponsored non-binding remuneration votes shape the executive compensation structure? Evidence from Say-on-Pay votes in Germany“.* verbindet SOP-Abstimmungen mit der Vergütung des Vorstands sowie der Tätigkeit des Aufsichtsrats. Die Analyse basiert auf den ersten sechs Jahren des SOP-Regimes in Deutschland und beinhaltet 1.676 HV mit 268 Vergütungsvoten von 164 verschiedenen Unternehmen. Basierend auf der PAT wird nicht die Höhe der Vorstandsvergütung, sondern ihre Struktur untersucht. Dabei wird zunächst die Wirkung von variablen Bonuszahlungen und aktienbasierten Vergütungselementen auf die Ablehnungsquote ausgewertet. Die Ergebnisse belegen, dass kurzfristige Bonuszahlungen die Ablehnungsquote erhöhen, während langfristige, aktienbasierte Vergütungszahlungen diese reduzieren. Die Ablehnung der Aktionäre ist insbesondere dann hoch, wenn der Aufsichtsrat in seiner Entlastungsabstimmung geringen Zuspruch erhält, während dem Vorstand gleichzeitig hohe Bonuszahlungen gewährt werden. Eine hohe Ablehnung der Tätigkeit des Aufsichtsrats bei gleichzeitig hohen Bonuszahlungen an den Vorstand deutet darauf hin, dass die Aktionäre mit der Tätigkeit des Aufsichtsrats im Hinblick auf die Vorstandsvergütung nicht einverstanden sind und dies durch die Stimmrechtsausübung signalisieren. In einer weitergehenden Analyse werden darüber hinaus die Auswirkungen einer hohen SOP-Ablehnungsquote auf die Struktur der Vorstandsvergütung untersucht. Dabei lässt sich zeigen, dass die Gesamtvergütung zwar unverändert bleibt, die einzelnen Komponenten jedoch eine geänderte Gewichtung erhalten. In Übereinstimmung mit den SOP-Abstimmungsergebnissen werden die kurzfristigen Bonuszahlungen des Vorstands reduziert, während die langfristigen aktienbasierten Zahlungen erhöht werden. Insgesamt zeigt die Untersuchung, dass auch ein freiwilliges und nicht bindendes SOP-Regime elementaren Einfluss auf die Vorstandsvergütung nimmt. Der Artikel wurde als „Single Author Paper“ erarbeitet. Die Publikation erfolgte im Januar 2018 im European Journal of Finance, das im aktuellen VHB-Jourqual 3.0 mit dem Rating „B“ eingestuft wird.

Der 4. Fachartikel mit dem Titel *„Let's talk about money! Assessing the link between firm performance and voluntary Say-on-pay votes“* untersucht den Einfluss der Unternehmensleistung auf 1) die Wahrscheinlichkeit, dass ein freiwilliges SOP auf die Tagesordnung der HV gelangt und 2) das Abstimmungsverhalten der Aktionäre. Ziel der ersten Analyse ist herauszufinden, ob ein zielgerichtetes Timing des SOP in Zeiten hoher Unternehmensleistung erfolgt. Die Ergebnisse zeigen, dass die Wahrscheinlichkeit eines SOP positiv mit dem relativen Marktwert des Unternehmens (Tobin's Q) korreliert, solange das Unternehmen die Analystenvorgaben erreicht (Meet/Beat Analysts Forecasts) und negativ mit dem Cash-Flow korreliert, wenn die Analystenziele nicht erreicht werden. Nur große Unternehmen mit hoher CSR-Performance planen ein Vergütungsvotum, obwohl die Analystenziele nicht erreichen werden. Die Ergebnisse der zweiten Analyse zeigen, dass die Ablehnungsquote tatsächlich geringer ist für Unternehmen, die einen hohen Tobin's Q oder einen hohen Cash-Flow aufweisen und gleichzeitig die Analystenziele erfüllen. Die Auswertung der CSR-Performance auf die Ablehnungsquote zeigt keinen signifikanten Zusammenhang. Insgesamt wird im Rahmen des Fachartikels deutlich, dass die Unternehmensleistung wesentlichen Einfluss auf die Häufigkeit und die Abstimmungsergebnisse eines SOP hat. Aufgrund dieses Einflusses lässt sich eine systematische Verzerrung der SOP-Abstimmungsergebnisse in einem freiwilligen Regime ableiten. Der empirisch-quantitative Artikel beinhaltet 1.841 HV und 144 Vergütungsvoten zwischen 2010 und 2016. Derzeit befindet sich diese „Single-Author“-Arbeit in Begutachtung beim Journal of Business Economics, welches im aktuellen VHB-Jourqual 3.0 mit dem Rating „B“ eingestuft wird.

1.4 Gang der Untersuchung

Das vorliegende Rahmenpapier analysiert zunächst die Theorien zum Verhalten der Unternehmensverwaltung (Kapitel 2). Dabei wird die PAT zusammen mit möglichen Erweiterungen vorgestellt und mit der SST verglichen. Anschließend beschreibt Kapitel 3 den regulatorischen Status quo des SOP in Deutschland und geht auf die in Zukunft zu erwartenden Entwicklungen des Vergütungsvotums ein. Die regulatorische Sicht wird in Kapitel um 4 eine Bestandsaufnahme der empirischen Forschung zur Vorstandsvergütung und zum Vergütungsvotum in Deutschland erweitert. Abschließend werden in Kapitel 5 die eigenen Forschungsergebnisse vorgestellt und die Implikationen für Forschung, Regulatorik und Unternehmenspraxis analysiert. Das Rahmenpapier schließt mit einem Fazit (Kapitel 6) und einer Wiedergabe der vier Fachbeiträge in den Anlagen (Anlage I bis IV). Die *Abbildung 4* (eigene Darstellung) fasst den Aufbau der Dissertation grafisch zusammen.

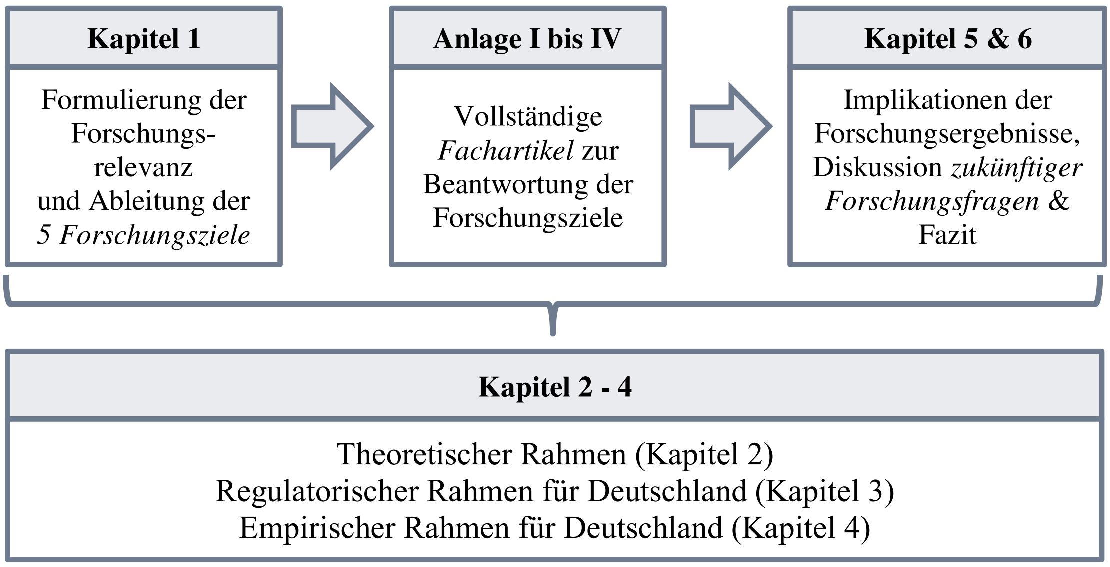


Abbildung 4: Aufbau der Dissertation

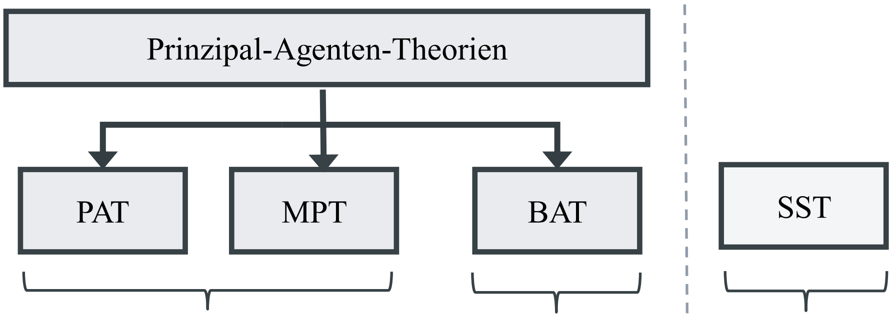
2. Theoretische Erklärungsansätze

2.1 Übersicht der Theorien

Die Vorstandsvergütung wird in der Forschung unter Verwendung unterschiedlicher Theorien untersucht; eine Literaturrecherche von Otten (2007) zeigt insgesamt 16 theoretische Erklärungsansätze auf. Dabei verwendet die Mehrheit der Forschungsbeiträge die klassische PAT (Boivie et al. 2016). Auch wenn diese Theorie einige bekannte Schwächen aufweist (Zahra 2007), gehören ihre universelle Einsetzbarkeit und die vielfache Übereinstimmung mit empirischen Ergebnissen zu den Vorteilen (Gomez-Mejia und Wiseman 2007; Wiseman et al. 2012). Ihre weite Verbreitung, insbesondere in der universitären Lehre, trägt zu ihrer Bekanntheit bei und stellt sicher, dass auch nachfolgende Generationen die theoretischen Konzepte kennen und verwenden (Ghoshal 2005).

Die Kritiker der neoklassischen PAT lassen sich im Wesentlichen in zwei gegensätzliche Gruppen einteilen, die in *Abbildung 5* präsentiert werden (eigene Darstellung in Anlehnung an Velte (2009b), S. 287, Grundei (2008), S. 143, Sundaramurthy und Lewis (2003), S. 298 und Davis et al. (1997), S. 37). Die erste Gruppe besteht aus den Befürwortern der Agentursicht, die eine Weiterentwicklung der Theorie verlangen, um den aufgezeigten Defiziten ausreichend Rechnung zu tragen. Dabei wird zum einen die Implementierung einer verhaltensorientierten Perspektive in die klassische PAT eingefordert. Dieser Anpassungsprozess wird als „Behavioral Agency Theory“, (Pepper und Gore 2015), „Agency Theory and Bounded Self-Interest“ (Bosse und Phillips 2016) oder „Social Theory of Agency“ (Wiseman et al. 2012) bezeichnet und im Folgenden unter BAT subsumiert. Zum anderen interpretieren Vertreter der neoklassischen Institutionenökonomie die Vorstandsvergütung nicht als Maßnahme zur Überwindung des Agenturproblems, sondern als eines der inhärenten Probleme. Diese Teilgruppe kritisiert vor allem die Macht der Vorstände und vertritt die „Managerial Power Theory“ (MPT) nach Bebchuk und Fried (2004, 2006).

Die zweite Gruppe der Kritiker fordert eine gänzliche Abkehr von der opportunistischen Verhaltensannahme nach der PAT. Zu den bekanntesten Konzepten außerhalb der neoklassischen Institutionenökonomie zählt die SST (Davis et al. 1997; Donaldson und Davis 1991). Die SST basiert vielmehr auf Kriterien und geht davon aus, dass Manager im Kern nicht individualistisch, sondern kollektivistisch veranlagt sind und anstelle der rein extrinsischen, finanziellen Motive primär intrinsische, nichtfinanzielle Ziele verfolgen (Grundei 2008; Davis et al. 1997). Zu diesen nichtfinanziellen Zielen gehört beispielsweise der Wunsch, dem Unternehmen und der Gesellschaft zu dienen und die anvertraute Handlungsvollmacht nach bestem Wissen und Gewissen als „good steward" auszuüben (John und Frank 2017).



Motivation des Vorstands	extrinsisch & materiell	extrinsisch & intrinsisch	intrinsisch
Ziele des Vorstands	materielle (monetär)	überwiegend materielle, ideelle Ziele vorhanden	ideelle (nichtfinanzielle)
Interessenlage Vorstand und Aktionäre	Interessenkonflikt	z.T. Interessenkonflikt	Interessen-konformität
Zusammenarbeit zwischen den Organen	individualistisch	kollektivistisch	kollektivistisch
Aufgabe des Aufsichtsrats	primär überwachend	situativ (beratend oder überwachend)	primär beratend
Instrumente der Corporate Governance	Überwachung & Anreizintensivierung	situativ	Beratung & Unterstützung
Verwendung in der Arbeit	Fachartikel 1, 2, 3 und 4	Fachartikel 1 und 2	Fachartikel 1

Abbildung 5: Zusammenfassung der Theorien

2.2 Varianten der Prinzipal-Agenten-Theorie

Die PAT hat ihren Ursprung in der neoklassischen Institutionentheorie mit dem Werk „Wohlstand der Nationen“ von Smith (1776). Smith argumentierte, dass die an den Märkten gehandelten Unternehmen nicht mehr durch die Eigentümer, sondern durch externe Manager geführt werden und dass, wenn unbeaufsichtigt, diese Führungskräfte nicht mit der optimalen Intensität arbeiten. Die Notwendigkeit einer institutionellen Überwachung, welche aus der zunehmenden Trennung von Eigentum und Kontrolle im Zeitablauf resultierte, wurde konkretisiert durch Berle und Means (1932). Die Autoren beschreiben die Entwicklung der börsennotierten Aktiengesellschaften in den USA und die damit einhergehende zunehmende Streuung des Kapitals durch die Verwendung von geregelten Märkten (Publikumsgesellschaften). Daraus resultiert eine Steigerung der Entscheidungsmacht von Vorständen, während gleichzeitig die Kontrollmöglichkeiten der Aktionäre abnimmt. Die Ausführungen gründen im Wesentlichen auf den Annahmen, dass höhere Freiheitsgrade von Vorständen nicht zum Wohl der Unternehmung, sondern zum Verfolgen opportunistischer Individualziele missbraucht werden.

Auf Basis dieser Entwicklung entstanden die „Standardwerke“ der PAT, u.a. Ross (1973), Jensen und Meckling (1976), Fama und Jensen (1983a, 1983b) sowie Jensen und Murphy (1990). Im Kern sind die Probleme der neoklassischen Institutionentheorie, die mit der Trennung zwischen Eigentum und Kontrolle einhergehen, erhalten geblieben. So wird weiterhin angenommen, dass die Informationsasymmetrie zwischen den Akteuren durch versteckte Eigenschaften, versteckte Informationen, versteckte Aktionen und versteckte Transfers entsteht und zu einer adversen Selektion oder einem Fehlverhalten führt (Mueller 2018; Velte und Weber 2011b). Die PAT hatte jedoch die Annahmen über das Handeln von Agenten und Prinzipalen weiterentwickelt (Wiseman und Gomez-Mejia 1998): Zum einen sind Agenten risikoavers, während Prinzipale hingegen risikoneutral sind. Zum anderen decken sich die Präferenzen des Agenten häufig nicht mit denen des Prinzipals. Während der Agent versucht, seinen eigenen (Arbeits-)Einsatz zu minimieren, um seinen Nutzen zu maximieren, erwartet der Prinzipal den maximalen (Arbeits-)Einsatz durch den Agenten.

Prinzipal-Agenten-Konflikte können aus diesen divergenten Handlungsmustern dann entstehen, wenn überdies Informationsasymmetrien zwischen Vorstand und den Aktionären bestehen (Auge-Dickhut 1999; Holmstrom 1982).

Um negativen Folgen aus diesen Informationsasymmetrien entgegenzuwirken, sieht die PAT Überwachungs- und Anreizmechanismen vor. Die Anreizmechanismen sind aufgrund der Nutzenfunktion des Vorstands in der Regel monetär gestaltet und beziehen sich auf seine Vergütung (Fama und Jensen 1983b). Daher ist die Vergütung des Vorstands aus Sicht der PAT ein Instrument, um die Agency-Konflikte und die damit einhergehenden Kosten zu minimieren (Otten 2007). Der Struktur der Vorstandsvergütung wird demnach größere Bedeutung zugemessen als der Höhe, weil diese vornehmlich dazu dient, die Interessen beider Parteien in Einklang zu bringen (Jensen und Murphy 1990).

Sowohl die Überwachungsfunktion als auch die Implementierung von Anreizmechanismen fällt in die Zuständigkeit des Aufsichtsrats (Two-Tier-System) bzw. der Directors (One-Tier-System). Wie Tirole (1986) zeigt, kann es zur Optimierung des fachlichen und zeitlichen Ressourceneinsatzes für den Prinzipal effizient sein einen zweiten Agenten (Supervisor) einzusetzen, um die Tätigkeiten des Vorstands zu überwachen. Diese Aufgabenteilung führt zur doppelstufigen PAT, wonach im Two-Tier-System der Aufsichtsrat ebenfalls als Agent einzustufen ist und den Aktionären rechenschaftspflichtig ist (Auge-Dickhut 1999; Jaschke 1989). Es ist allerdings nicht von einer zwingenden Interessensgleichheit zwischen Aufsichtsrat und Aktionären auszugehen. Vielmehr unterliegt der Aufsichtsrat den gleichen Fehlanreizen wie der Vorstand (Velte und Weber 2011b). Diese Fehlanreize können zu Koalitionsbildungen zwischen Aufsichtsrat und Vorstand führen (Velte und Weber 2010), und somit zulasten des Prinzipals gehen und seine Verhandlungsposition schwächen.

Kritiker der klassischen PAT setzen an dieser Stelle an und hinterfragen insbesondere zwei Annahmen. Erstens wird argumentiert, dass die der PAT zugrunde liegende „Arm's Length Transaction“-Annahme, d.h. eine faire Verhandlung zwischen Prinzipal und Agenten, nicht möglich ist, da der Vorstand über mehr Verhandlungsmacht verfügt (Bebchuk und Fried 2002; Bebchuk und Fried 2004). Zweitens wird angeführt, dass die klassische PAT stets ein rationales Verhalten der Vertragsparteien impliziert. Rationale Entscheidungen blenden u.a. verhaltensorientierte Merkmale vollständig aus und bilden die Realität daher unvollständig ab (Wiseman et al. 2012). Obwohl beide Kritikpunkte die inhärenten Annahmen der PAT infrage stellen, bedingen sie unterschiedliche Schlussfolgerungen.

Das Ausbleiben von fairen Verhandlungen (1. Kritikpunkt) führt zur Einbindung der MPT in die PAT. Der Informationsvorsprung des Agenten sowie die fehlende unternehmensbezogene Expertise des Prinzipals ermöglichen ein einseitiges Ungleichgewicht zugunsten des Agenten (Polsky 2007; Bebchuk und Fried 2006). Der Agent wiederum nutzt diese Verhandlungsmacht opportunistisch aus, vergrößert seine Machtfülle und erarbeitet sich ein persönliches Netzwerk innerhalb des Unternehmens, um finanzielle Vorteile („Rente") zu erzielen (Bebchuk und Fried 2004; 2002). Dies spiegelt sich beispielsweise in einer erhöhten (exzessiven) Gesamtvergütung, großzügigen Abfindungen oder (kurzfristigen) Bonuszahlungen für mittelmäßige Leistung wider (Dittmann et al. 2011).

Wenngleich die Annahmen der machtvollen und opportunistischen Manager ein seit Jahrzehnten bekanntes Problem sind,[3] hat die MPT insbesondere durch die Beiträge von Bebchuk und Fried (2002; 2004, 2006) an Bedeutung gewonnen. Insgesamt gelangen die Autoren in ihren Untersuchungen zu dem Ergebnis, dass die klassische PAT nicht in der Lage ist, die tatsächliche Entwicklung der Vorstandsvergütung zu erklären. Bebchuk und Fried führen daraufhin die MPT an und zeigen auf, wie die Machtverschiebung innerhalb der Unternehmen sowie die unzureichende Arbeit der Aktionärsvertreter die ineffizienten Vergütungsverträge erklären können.

Grundsätzlich ist es die Aufgabe des Aufsichtsrats, die Aktionäre zu vertreten und effiziente Vergütungsverträge auszuhandeln (Director Primacy) (Bainbridge 2005b). Die MPT argumentiert jedoch, dass aufgrund der persönlichen Verflechtungen zwi-

[3] Vergleiche beispielsweise Elson (1997) für eine Zusammenfassung der Entstehung und Entwicklung.

schen Vorstand und Aufsichtsrat sowie fehlender Expertise und Zeit im Aufsichtsrat kein optimaler Kontrakt ausgehandelt wird. Infolge dieser Ressourcenbeschränkungen sollen nicht länger die Aufsichtsräte als Vertreter, sondern die Aktionäre die Bestimmungsmacht (Shareholder Primacy) direkt ausüben dürfen (Bebchuk 2005). Es wird argumentiert, dass speziell bei Aktiengesellschaften mit diversifizierter Eigentümerstruktur nur die Partizipation der Aktionäre an Unternehmensentscheidungen zu „echten“ bilateralen Verhandlungen führt (Jones und Keevil 2015). Diese bilateralen Verhandlungen können die Basis für angemessene Kontrakte zwischen den Parteien bilden und sollen sicherstellen, dass die Interessen der Aktionäre gewahrt sind.

Die Forderung der Shareholder Primacy ist nicht unumstritten, da sie einen deutlichen Einschnitt in das bisher geführte System darstellt (Bainbridge 2005a). Dabei ist zu beachten, dass bilaterale Verhandlungen insbesondere für Aktionäre mit geringen Stimmrechtsanteilen ineffizient sind (Fama und Jensen 1983b). Diese Anteilseigner müssen entweder von dem Überwachungs- und Verhandlungserfolg anderer Aktionäre profitieren (Free-Rider-Problem) oder lagern die Funktionen aus. Im Zusammenhang mit SOP kann eine Auslagerung der Überwachungsfunktion beispielsweise an einen Stimmrechtsberater erfolgen.[4] Die MPT ist insofern für das SOP von hoher Relevanz, als eine tatsächliche Machtverschiebung innerhalb der Prinzipal-Agenten-Beziehung weitere regulatorische Eingriffe erfordert (Tosi 2005). Aus Sicht der MPT ist ein obligatorisches Vergütungsvotum ebenso notwendig wie die rechtliche Bindung des SOP. So hat beispielsweise Bebchuk (2007) bei einer Anhörung vor dem Finanzkomitee des US-Repräsentantenhauses zur Einführung eines SOP auf seine Arbeiten und die MPT verwiesen. Die USA haben im Anschluss daran ein obligatorisches SOP mit dem „Dodd-Frank Wall Street Reform and Consumer Protection Act“ 2010 eingeführt.[5]

[4] Eine Analyse der Stimmrechtsberater erfolgt in Fachartikel 2.
[5] Der 2. Artikel führt die regulatorische Entwicklung der Einführung in den USA sowie weiteren Ländern im Detail aus.

Zusammenfassend stellt die MPT eine spezielle Ausprägung der PAT dar (Bruce et al. 2005; Wiseman et al. 2012). Die klassische PAT geht davon aus, dass beide Parteien einen optimalen Vergütungskontrakt aushandeln, da die beschrieben Mechanismen ein Ungleichgewicht automatisch verhindern. Die MPT hingegen postuliert, dass keines der beiden Instrumente genügt, um die einseitige Vorteilnahme durch Vorstände zu verhindern. Als spezielle Situation der klassischen PAT ist eine „Arm's Length Transaction" aufgrund der Machtverschiebung nicht mehr möglich. Der wesentliche Beitrag der MPT besteht darin, dass die Verhandlungsmacht des Vorstands betont und daran erinnert wird, dass die klassische PAT nur für Situationen mit weitestgehend gleicher Machtverteilung gilt (Tosi 2005; Bainbridge 2005b).

Während die Vertreter der MPT die grundsätzlichen Mechanismen der klassischen PAT weiterhin anerkennen, setzen die Befürworter einer verhaltensorientierten Perspektive mit ihrer Kritik an ebendieser Stelle an. Es wird argumentiert, dass die vergleichsweise hohe Komplexität der Anreizwirkung von Vergütungszahlungen nicht auf eine simple Formel reduziert werden kann (Mueller 2018). Die PAT ist demnach ‚under socialized' (Wiseman et al. 2012; Lubatkin et al. 2007; Zahra 2007) und muss weiterentwickelt werden.[6] Als Grundlage für Entwicklung einer verhaltensorientierten Agentursicht dient die Arbeit von Wiseman und Gomez-Mejia (1998). Die Autoren analysieren u.a. die Risikoaversion von Agenten und nutzen die Prospect Theory von Kahneman und Tversky (1979), wonach Agenten nicht risiko- sondern verlustavers sind. Dabei wird zwischen Situationen mit Gewinn- oder Verlustposition unterschieden und der potenzielle risikoadjustierte Vorteil inkludiert. Daraus resultierend bestimmen sich die Entscheidungen des Agenten auf Basis der aktuellen Situationen in Verbindung mit den Aussichten einer Verbesserung oder Verschlechterung dieser.

Darüber hinaus erfolgt eine Konkretisierung der BAT durch von Pepper und Gore (2015). Die Autoren verbinden die Vergütungsstruktur mit der Risikoneigung, sodass eine differenzierte Betrachtung der Auswirkung von variablen Vergütungskomponenten auf die Entscheidungen von Vorständen möglich ist. Neben der bereits erar-

[6] Diese Problematik wird im 1. und 2. Fachartikel thematisiert und analysiert.

beiteten Verlustaversion argumentieren Pepper und Gore (2015), dass Agenten im Rahmen einer Ex-post-Betrachtung das bisherige Verhalten in der Prinzipal-Agenten-Beziehung bewerten und reziprok handeln. Auf diese Weise wird die Anerkennung von gegenseitiger Fairness ermöglicht, wobei Vorstände nicht nur entgegengebrachte Fairness positiv widerspiegeln, sondern ebenfalls ein übliches Niveau an Gerechtigkeit in die Prinzipal-Agenten-Beziehung einbringen. Dieses Niveau wird durch verschiedene sozioökonomische Faktoren gesteuert und beeinflusst somit die individuellen Entscheidungen des Agenten. Die Agenten werden daher nicht mehr als vollständig eigennützig definiert, sondern sind gebunden-eigennützig (Bounded Self-Interested). Das Handeln der begrenzt-eigennützigen Vorstände ist nicht ausschließlich durch Individualinteressen motiviert, sondern wird zusätzlich durch die Akzeptanz sozialer Normen moderiert und schließt auch Reziprozität mit ein. Eine angemessene und faire Behandlung durch den Prinzipal wird sich in einer positiven Reaktion, beispielsweise durch übermäßige Bemühungen, widerspiegeln. Auf der anderen Seite wird sich eine unangemessene oder unfairere Behandlung durch eine negative Reaktion abbilden, sodass die Agenturkosten über das antizipierte Maß hinaussteigen werden. Dies liegt daran, dass ein begrenzt-eigennütziger Agent versuchen wird, das sozioökonomisch faire (im Sinne von subjektiv gefühlt angemessene) Niveau an Gerechtigkeit wiederherzustellen (Bosse et al. 2009).

Der Bezug zwischen BAT und der Vorstandsvergütung wird im 1. Fachartikel hergestellt. Auf Basis der BAT wird dabei abgeleitet, dass ein bestimmtes Maß an variabler Vergütung als angemessen empfunden wird und leistungssteigernd wirkt. Verpflichtet man den Vorstand einen über dieses angemessene Maß hinausgehenden Anteil an variabler Vergütung zu akzeptieren, wird die Vergütung als ungerecht empfunden, da der Vorstand sein Vergütungsrisiko als unangemessen hoch einstuft. Diese Ungerechtigkeit löst negative Reziprozität aus und erhöht die Agenturkosten über das in der PAT antizipierte Maß hinaus.[7]

[7] Empirisch wird die nicht-lineare (konkave) Wirkung von aktienbasierter Vergütung auf SOP-Abstimmungsergebnisse in Fachartikel 3 bestätigt.

2.3 Stewardship-Theorie

Die SST lehnt die Annahme des opportunistischen und individualistischen Verhaltens der Agenten ab. Ihr ist der Standpunkt immanent, dass Vorstände durchaus dem Unternehmen nach bestem Wissen und Gewissen dienen können. Im Gegensatz zur PAT, die ihren Ursprung in der neoklassischen Institutionen-Theorie hat, stammt die SST aus der Soziologie und Psychologie (Grundei 2008; Davis et al. 1997; Donaldson und Davis 1991). Durch die Einbindung von psychologischen Merkmalen wird argumentiert, dass die Agenten sich als sog. „good Stewards" verhalten, die im Wesentlichen pro-sozial, vertrauenswürdig und kollektivistisch sind (Davis et al. 1997). Vorstände wollen demnach das Kapital der Investoren in deren Interesse einsetzen (Velte 2009b).

Daraus resultieren differierende Handlungsempfehlungen für die Eigentümer. Stewards benötigen im Gegensatz zu Agenten keine klassischen Überwachungs- und Anreizsysteme, da ein inhärenter Interessenkonflikt nicht existiert (Donaldson und Davis 1991). Der Steward wird auch in Abwesenheit von Überwachungsinstrumenten versuchen, bestmögliche Ergebnisse im Sinne der Eigenkapitalgeber zu erbringen. Der Aufsichtsrat übernimmt damit auch primär eine Beratungs- anstelle einer Überwachungsfunktion (Sundaramurthy und Lewis 2003). Er soll den Vorstand in der strategischen Planung aktiv unterstützen und sicherstellen, dass die Expertise beider Organe optimal zum Einsatz kommt (Hillman und Dalziel 2003).

Das Fehlen von Interessenkonflikten hat auch Einfluss auf die Informationsverteilung. Obwohl Informationsvorsprünge einzelner Partei auftreten können, die zur Informationsasymmetrie führen, werden diese nicht zum eigenen Vorteil verwendet, sondern im Zeitablauf konstruktiv abgebaut, um das bestmögliche Verhandlungsergebnis zu erzielen (Davis et al. 1997). Eine der Grundannahmen der SST bildet allerdings das gegenseitige Vertrauen zwischen den Vertragsparteien, um das Verhalten von guten Stewards zu motivieren (Grundei 2008). Während Agenten nach der PAT extrinsisch motiviert sind und demgemäß die finanzielle Vergütung im Vordergrund steht, wird davon ausgegangen, dass Stewards intrinsisch motiviert sind.

Dies hat direkten Einfluss auf die Vergütung von Vorständen. Im Rahmen der PAT steht die materielle Gegenleistung im Vordergrund, da der unterstellte „homo oeconomicus" seine wesentliche Bedürfnisbefriedigung hieraus zieht (Ross 1973). Die SST unterstellt idealistisch-orientierte Individuen, deren wesentlicher Nutzen nicht aus materiellen Gegenleistungen erwächst (Davis et al. 1997). Vielmehr zielt der Steward darauf ab, das entgegengebrachte Vertrauen, die Unternehmensreputation und die Anerkennung zu erhöhen (Velte 2009b).

3. Regulierung des Vergütungsvotums

3.1 Grundlagen des Vergütungsvotums

Es gibt international eine Vielzahl von unterschiedlichen Ausgestaltungen eines SOP (Göx und Ferri 2018; Thomas und Von der Elst 2015). Dies lässt sich insbesondere auf nationale Regulierungen zurückführen. Grundsätzlich kann ein SOP-Votum verpflichtend oder freiwillig sein und die Ergebnisse können verbindlichen oder fakultativen Charakter aufweisen. Zusätzliche Unterschiede ergeben sich aus dem Gegenstand der Abstimmung (z.B. Vergütungsbericht vs. Vergütungspolitik) oder dem Zeitpunkt (z.B. ex-ante vs. ex-post) sowie *Abbildung 6* (eigene Darstellung) zeigt die wesentlichen Ausprägungen schematisch auf.

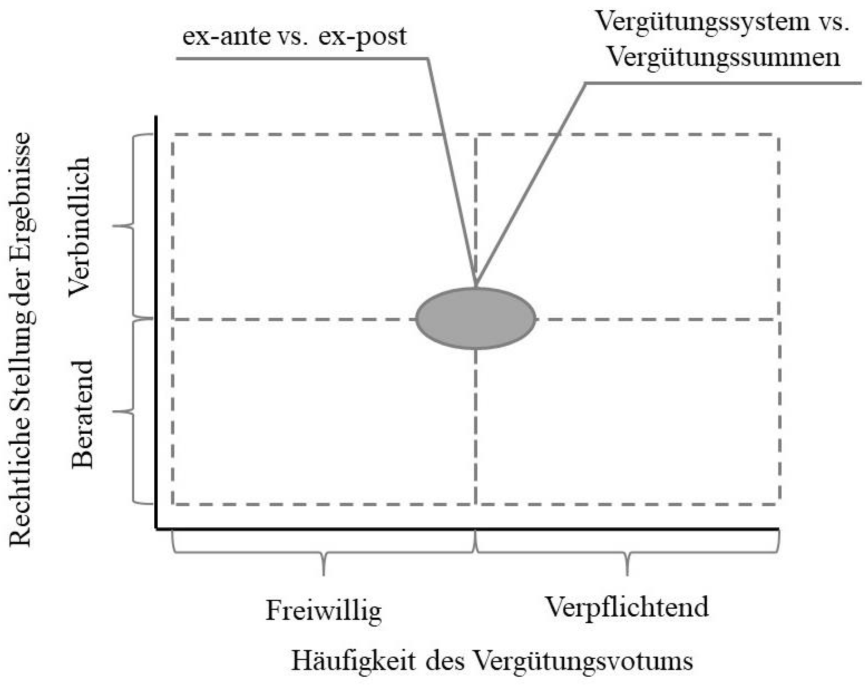


Abbildung 6: Regulatorische Ausprägungen des SOP

Bei einem freiwilligen SOP kann das Unternehmen bestimmen, ob und wann eine Abstimmung erfolgt, während bei einem verpflichtenden SOP gesetzliche Regelungen diese Wahlfreiheit einschränken (X-Achse). Verpflichtende Regelungen sehen eine Abstimmung entweder in einem festen Turnus (z.B. jährlich) oder bei einem bestimmten Ereignis (z.B. bei Neuverhandlungen oder Änderungen von Vergütungsverträgen) vor. Wenngleich die Verpflichtung einen bestimmten Entscheidungsspielraum zulässt (z.B. mindestens eine Abstimmung alle 4 Jahre, Abstimmungen nur bei wesentlichen Änderungen), haben verpflichtende Gesetze gemein, dass eine gänzliche Vermeidung der Vergütungsabstimmung nicht möglich ist.

Bei einer verbindlichen Abstimmung müssen die Unternehmen das Ergebnis des Votums zwingend umsetzen und z.B. ein abgelehntes Vergütungssystem zu überarbeiten (Y-Achse). Dies ist bei einem fakultativen SOP zumindest rechtlich nicht erforderlich, auch wenn der Literaturüberblick (Fachartikel 2) auf eine faktische Bindung hindeutet. Weitere Unterschiede lassen sich bei dem Zeithorizont und dem Umfang des SOP ableiten. Der Zeithorizont kann ex ante sein, sodass ein Vergütungssystem, die Vergütungspolitik oder die Zahlungen vor Inkrafttreten genehmigt werden, oder ex post, also nachgelagert, erfolgen.[8] Die speziellen Ausprägungen eines Vergütungsvotums werden durch die nationalen Gesetze definiert, welche für Deutschland in *Abbildung 7* (eigene Darstellung) dargestellt sind.

[8] Eine konkrete Analyse der aktuellen SOP-Gesetze in ausgewählten Ländern erfolgt in Artikel 2.

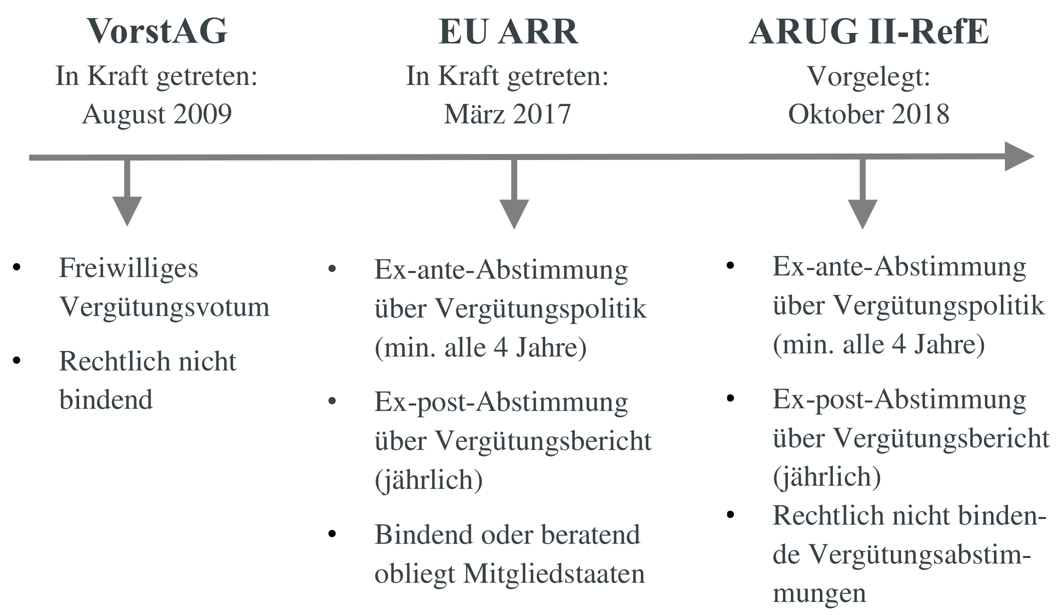


Abbildung 7: Entwicklung des Vergütungsvotums

3.2 Status quo

Die gesetzliche Einführung eines Vergütungsvotums wurde in Deutschland mit dem VorstAG (2009) geschaffen. Als Zielsetzung des Gesetzes wurde die langfristige Kongruenz von Vergütung und Unternehmenserfolg hervorgehoben. Diese Kongruenz sollte sowohl über ein Vergütungsvotum als auch durch verschiedene direkte Eingriffe in die Vorstandsvergütung hergestellt werden. Die Einführung des SOP erfolgte durch die Neufassung des § 120 Abs. 4 S. 4 AktG, wonach die Hauptversammlung einer börsennotierten Gesellschaft über die vom Aufsichtsrat beschlossene Vorstandsvergütung abstimmen kann. Das Vergütungsvotum ist weder zwingend abzuhalten noch ist das Wahlergebnis bindend. Allerdings muss der Aufsichtsrat bei Missbilligung der Vorstandsvergütung seinen Beschluss rechtfertigen oder erneut befassen (Koch und Stadtmann 2011).

Die Umsetzung des SOP wird aus juristischer Sicht kritisch gesehen, da die Kompetenzen innerhalb der Unternehmung hinsichtlich des SOP nicht klar abgegrenzt sind (Vesper-Gräske 2013): Durch das VorstAG obliegt es dem gesamten Aufsichtsrat zu entscheiden, welches Vergütungssystem dem Vorstand angeboten und den Aktionären zur Billigung vorgelegt wird (Plate 2016; Spindler und Oetker 2010). Diese Kompetenz kann gemäß § 107 Abs. 3 S. 3 AktG auch bei Einrichtung eines Vergütungsausschusses nicht delegiert werden. Gemäß § 121 AktG hat jedoch der Vorstand die HV einzuberufen und nach §125 AktG die Tagesordnung bekanntzugeben. Dadurch kann es zumindest theoretisch zu Situationen kommen, in denen der Aufsichtsrat über das Vergütungssystem abstimmen lassen möchte, der Vorstand diesen Punkt jedoch nicht auf die Tagesordnung der HV setzt.

Neben dem Vergütungsvotum sollen weitere Vorgaben des VorstAG zur Vergütung die Interessen des Vorstands und der Unternehmung in Einklang bringen. Dafür wurde unter anderem eine neue Bemessungsgrundlage für variable Vergütungselemente durch die Neuformulierung des § 87 Abs. 1 AktG erreicht: „Die Vergütungsstruktur ist bei börsennotierten Gesellschaften auf eine *nachhaltige* Unternehmensentwicklung auszurichten. Variable Vergütungsbestandteile sollen daher eine *mehrjährige* Bemessungsgrundlage haben.“ Dabei wird die Mehrjährigkeit im Schrifttum regelmäßig mit drei bis vier Jahren (Hüffer und Koch 2016, Rn. 4d §87 AktG) oder vier bis fünf Jahren (Thüsing und Forst 2010) angenommen. Dies soll vor allem die im Rahmen der Finanzmarktkrise häufig kritisierte Kurzsichtigkeit der Unternehmensleitung vermeiden (Hölters 2017, Rn. 30 §87 AktG). Auch wenn vereinzelt die Vorgaben des § 87 AktG erst vollumfänglich durch ein Unternehmen als erfüllt ansehen werden, wenn ebenfalls soziale und ökologische Aspekte berücksichtigt sind (Kluge und Röttgen 2013), ist nach herrschender Meinung die Verwendung nichtfinanzieller Leistungsindikatoren lediglich fakultativ (Ihrig und Schäfer 2014). Der Begriff der Nachhaltigkeit soll weniger dem Allgemeinwohl dienen, sondern vielmehr die kurzfristige Ertragssteigerung durch Substanzverzehr innerhalb des Unternehmens vermeiden (Maske und Hirsch 2018).

Andere Länder wie beispielsweise Österreich vermieden eine entsprechende Diskussion über die Auslegung des Begriffs Nachhaltigkeit, indem nicht-finanzielle Elemente empfohlen wurden. Der österreichische Corporate Governance Kodex in C-Regel 27 besagt explizit „Die variablen Vergütungsteile knüpfen insbesondere an nachhaltige, langfristige und mehrjährige Leistungskriterien an, beziehen auch nicht-finanzielle Kriterien mit ein und dürfen nicht zum Eingehen unangemessener Risiken verleiten." Im Gegensatz zu Österreich wird in der angelsächsischen geprägten Fachpresse die Nachhaltigkeit zumeist mit einer Mehrjährigkeit, d.h. reinen zeitlichen Interpretation, gleichgesetzt (Bebchuk und Fried 2010; Bhagat und Romano 2009).

In unmittelbarem Zusammenhang mit der Überarbeitung des § 87 AktG steht der angepasste § 193 Abs. 2 AktG, der die Mindesthaltefrist von anteilsbasierten Vergütungselementen von zwei auf vier Jahre durch das VorstAG erhöht hat. Diese Maßnahme sollte insbesondere die Ausrichtung auf den langfristigen Unternehmenserfolg stärken und kurzfristige sowie risikoorientierte Erfolgsstrategien verhindern (Koch und Stadtmann 2011). Allerdings zeigen empirische Berechnungen von Zimmermann (2010), dass ein Vorstandsmitglied in Deutschland nur etwa 4,2 Jahr im Amt bleibt. Fast die Hälfte (43 %) aller Vorstandsmitglieder verlassen innerhalb der ersten fünf Jahre das Gremium wieder (Roos). Dabei sollte beachtet werden, dass der Unternehmenswert in Form des Börsenkurses zusätzlich steigt, wenn ein erfolgloser Manager das Unternehmen verlässt, da die Aktionäre davon ausgehen, dass die Zukunftsaussichten, und damit der Marktwert des Unternehmens, sich verbessern (Koch und Stadtmann 2011). Es kann infolgedessen bei verlängerten Haltefristen häufiger zu Situationen kommen, in denen ein unterdurchschnittlich leistendes Vorstandsmitglied für seinen Abgang zusätzlich entlohnt wird.

3.3 Zukünftige Entwicklung

Die Weiterentwicklung des Vergütungsvotums erfolgt im Zuge der EU-Richtlinie zur Änderung der Aktionärsrechte (ARR). Die Umsetzung der Richtlinie in den Mitgliedsstaaten hat bis zum 19. Juni 2019 zu erfolgen und gilt nach Art. 1(i)1 ARR für alle Unternehmen, die Aktien an einem geregelten Markt anbieten. Der deutsche Referentenentwurf zur nationalen Umsetzung der EU-Aktionärsrechterichtlinie (ARUG II-RefE) wurde am 11. Oktober 2018 veröffentlicht und regelt u.a. die Ausübung der zahlreichen Mitgliedstaatenwahlrechte.

Die ARR beinhaltet neben der EU-weiten Einführung des Vergütungsberichts insbesondere die Einführung von zwei unterschiedlichen Vergütungsvoten. Artikel 9a sieht eine zukunftsgerichtete (Ex-ante-)Abstimmung über die *Vergütungspolitik* vor, die mindestens alle vier Jahre erfolgen soll. Zusätzlich ist nach Art. 9b eine jährliche, nachträgliche (Ex-post-)Abstimmung über den *Vergütungsbericht*, einschließlich der absoluten Vergütung, vorzunehmen. Zu beachten ist, dass nach dem Wortlaut von Art. 2, i(i) ARR alle Mitglieder der Unternehmensleitung, d.h. im Two-Tier-System Vorstand und Aufsichtsrat, von den Neuregelungen betroffen sind. Das SOP zur Vergütungspolitik (Art. 9a) bezieht sich nicht auf die absolute Höhe der Vergütung, sondern auf das System zur Ermittlung dieser Höhe. Die Vergütungspolitik muss hierbei die Geschäftsstrategie, die langfristigen Interessen und die langfristige Tragfähigkeit der Unternehmung fördern. Gemäß Artikel 9a VI ARR soll diese Vergütungspolitik „klar und verständlich“ sein und die verschiedenen festen und variablen Vergütungsbestandteile, einschließlich sämtlicher variabler Zahlungen, und andere Vorteile in jeglicher Form beschreiben.

Bezüglich dieser Bonuszahlungen fordert die Richtlinie in Artikel 9a Ziffer 14, dass sämtliche „finanziellen und die nicht finanziellen Leistungskriterien, einschließlich gegebenenfalls der Kriterien im Zusammenhang mit der sozialen Verantwortung der Gesellschaften“ angegeben werden. Insofern ist eine Einbeziehung von nichtfinanziellen Leistungsindikatoren abweichend zur Entwurfsfassung der EU-Richtlinie nicht mehr zwingend, aber ausdrücklich empfohlen. Die umfangreichen Anforderungen an die Offenlegung der Vergütungspolitik verdeutlichen, dass der EU-Richtliniengeber durch erhöhte Transparenznormen in die Ausgestaltung der Vorstandsvergütungssysteme eingreifen möchte (Leuering 2017).

Der geänderte Artikel 9b der ARR sieht ein „Recht auf Abstimmung über den Vergütungsbericht" vor. Dieses Recht konkretisiert sich in eine jährliche, nachträgliche (Ex-post-)Abstimmung über den Vergütungsbericht, einschließlich der absoluten Vergütung. Dabei ist zu beachten, dass dieser Artikel eine gesetzliche Pflicht zur Erstellung eines Vergütungsberichts umfasst. Auch wenn die in der ARR geforderten Angaben bereits weitestgehend mit den Anforderungen der Ziffer 4.2.5 des deutschen Corporate Governance Codex übereinstimmen, geht die EU-Kommission dennoch weiter ins Detail. So ist beispielsweise die geschuldete und gewährte Vergütung für jedes Mitglied der Unternehmensleitung individuell anzugeben. Dadurch würde die nach §§ 286 Abs. 5, 314 Abs. 2 Satz 2 HGB bestehende Möglichkeit, auf eine individualisierte Offenlegung zu verzichten, künftig entfallen. Darüber hinaus gilt die Anforderung der ARR nicht nur für Vorstände, sondern auch für Mitglieder des Aufsichtsrats, sodass auch dieses Gremium seine Bezüge individuell ausweisen muss. Zusätzlich ist die Gesamtvergütung nach Artikel 9b, Abs. 1, Nr. a auf die einzelnen Vergütungsbestandteile aufzugliedern. Für jeden dieser Bestandteile ist zu begründen, inwiefern dieser der allgemeinen Vergütungspolitik entspricht und den damit verbundenen Ziele dient (Suchan und Gerdes 2017).

Die EU-Richtlinie sieht zwei Mitgliedstaatenwahlrechte vor, welche nach dem ARUG II-RefE bei der nationalen Umsetzung ausgeübt werden. Einerseits soll das Votum über die Vergütungspolitik nach § 120a Abs. 1 AktG-E nur einen beratenden (empfehlenden) Charakter besitzen und keine rechtliche Bindung erzeugen. Zum anderen sollen Unternehmen vorübergehend von der beschlossenen Vergütungspolitik in „außergewöhnlichen Umständen" nach § 87a Abs. 2 AktG-E abweichen dürfen. Zusätzlich wurde der Kreis der betroffenen Unternehmen im ARUG II-RefE klein gehalten. Nach § 120a Abs. 5 AktG-E sollen kleine und mittelgroße Kapitalgesellschaften von der Regelung ausgenommen werden. Damit ist der ARUG II-RefE nur noch auf große, börsennotierte Gesellschaften anzuwenden.

Der Entwurf beinhaltet neben der konkreten Ausgestaltung des Vergütungsvotums auch Neuregelungen für den Vergütungsbericht. Während der Vergütungsbericht bisher Bestandteil des Lageberichts war, ist der neue Vergütungsbericht ein eigenständiges Medium, welches sowohl von Vorstand als auch Aufsichtsrat gemeinsam erstellt wird (§ 162 AktG-E). Damit einhergehend wird die materielle Prüfungspflicht des Abschlussprüfers durch eine formelle Pflicht ersetzt (§ 162 Abs. 4 AktG-E). Eine Eingliederung in den (Konzern-)Lagebericht oder die (Konzern-)Erklärung zur Unternehmensführung ist dann nicht mehr möglich. Dabei soll der Bericht über die Entlohnung beider Organe berichten und mindestens 10 Jahre auf der Homepage der Unternehmung verfügbar sein (§ 162 Abs. 4 AktG-E). Nach Artikel 9b, Abs. 1, Nr. b muss die jährliche Veränderung der Vergütung im Vergleich zur Unternehmensleistung sowie zur Entwicklung der Entlohnung der Beschäftigten mindestens für die letzten 5 Geschäftsjahre dargestellt werden. Damit wird der steigenden Stakeholder-Erwartung nach einer zwingenden Angabe der sog. „Manager to worker pay ratio“ entsprochen.[9]

3.4 Kritische Analyse

Den nationalen Befürwortern der Aktionärsdemokratie sind die bisherigen SOP-Regelungen nicht umfassend genug. Insbesondere das EU-Wahlrecht zur Implementierung eines beratenden anstelle eines bindenden Votums wird kritisch gesehen (Verse 2016). Es wird befürchtet, dass ein fakultatives SOP keine ausreichende Wirkung auf die Vergütungsverträge hat. Insbesondere der disziplinarische Effekt des SOP wird von den Befürwortern angeführt (Heidel 2014). Darüber hinaus wird die Verschärfung des SOP mit einer Kompetenzverlagerung zulasten des Aufsichtsrats und zugunsten der Aktionäre kontrovers diskutiert. Die Kritiker der Regelung führen vor allem einen möglichen Systembruch an (Bungert und Wansleben 2017). Während im One-Tier-System die Aktionäre über vielfache Mitbestimmungsrechte ver-

[9] Weitere Änderungen ergeben sich aus dem am 6. November 2018 veröffentlichten Entwurf zum Deutschen Corporate Governance Codex. Da sich dieser noch in der Konsultationsphase befindet, erfolgt keine Kommentierung in der Arbeit.

fügen, übernimmt im dualistischen System der Aufsichtsrat diese Aufgaben (Millet-Reyes und Zhao 2010; Witt 2003). Die dem monistischen System entstammende Idee einer Vergütungsabstimmung ist streng genommen ein „Fremdkörper im Kompetenzgefüge der deutschen Aktiengesellschaft“ (Dauner-Lieb et al. 2010, S. 377). Sowohl die Billigung als auch die Missbilligung der Vergütung reduziert die Handlungsmöglichkeiten des Aufsichtsrats. Im Falle einer Bestätigung des Vergütungssystems durch die HV sind wesentliche Abweichungen von der genehmigten Vergütungspolitik kaum möglich. Zwar sieht der ARUG II-RefE keine rechtliche Bindung vor, aber auch freiwillige Abstimmungen können eine faktische Verpflichtung herstellen. Ein Aufsichtsrat, der deutlich von einem bereits genehmigten System abweicht, dürfte seinen Aktionären Rechenschaft schuldig sein und muss mit erhöhten Ablehnungsquoten bei seiner eigenen Entlastung oder Wiederwahl rechnen (Suchan und Gerdes 2017).

Die Missbilligung der abstrakten Vergütungspolitik durch die HV wirft eine Reihe von juristischen und praktischen Fragestellungen auf. Zunächst kann der Aufsichtsrat die Ablehnung durch die Aktionäre ignorieren, da der ARUG II-RefE keine rechtliche Bindung vorsieht. Wie bereits ausgeführt, erscheint dies allerdings unter Berücksichtigung der Rechenschaftspflicht unwahrscheinlich. Daher verbleiben dem Aufsichtsrat zwei Möglichkeiten bei Missbilligung: Er kann ein neues Vergütungssystem mit dem Vorstand in der Hoffnung verhandeln, dass dieses System die Zustimmung der Aktionäre erhält. Diese Lösung setzt jedoch voraus, dass der Vorstand bereit ist, seine Vergütung unter dem Vorbehalt der späteren Zustimmung zu erhalten (Verse 2013). Alternativ kann das letzte gebilligte Vergütungssystem genutzt werden. Dies bietet beiden Parteien – dem Vorstand und dem Aufsichtsrat – eine verlässliche Ausgangsbasis für weitere Verhandlungen.

Neben der Abstimmung über die abstrakte Vergütungspolitik müssen die Aktionäre auch über den konkreten Vergütungsbericht abstimmen. Dies kann zu Situationen führen, in denen ein Vergütungsbericht ex post abgelehnt wird, obwohl der Bericht das Resultat einer vorher genehmigten Vergütungspolitik ist. Es ist noch unklar, wie in der Praxis mit solch einem Fall umgegangen werden soll (Rieckers 2018). Es wäre denkbar, dass die zur Abstimmung stehende Vergütungspolitik so abstrakt gehalten wird, dass spätere Anpassungen zur Erreichung einer Mehrheit für den Vergütungsbericht möglich sind. Allerdings würde eine solch allgemein beschriebene Vergütungspolitik den Nutzen des ersten SOP infrage stellen.

Neben der schwierigen Rolle des Aufsichtsrats wird auch der starke Einfluss der Aktionäre über das SOP diskutiert, z.B. die steigende Einflussnahme von institutionellen Investoren (Basse 2002) und von Stimmrechtsberatern (Proxy Advisor). Dies wird vor dem Hintergrund der teilweise kurzen Anlagehorizonte kritisch gesehen (Leuering 2017). Es besteht daher zumindest die Befürchtung, dass kurzfristig orientierte Aktionäre eine Vorstandsvergütung etablieren können, die dem eigenen Zeithorizont entspricht, und einen möglichen langfristigen Substanzverlust in Kauf nehmen. Allerdings lässt die in Kapitel 3.1 vorgestellte Neufassung der § 87 Abs. 1 AktG eine kurzfristige, substanzverzehrende Vergütung nur noch eingeschränkt zu. Dennoch ist es möglich, dass der ökonomische Nutzwert des künftigen SOP stärker von den unternehmensspezifischen Aktionärsstrukturen und deren Interessen abhängig ist.

Im Gegensatz zu den überwiegend monetären Interessen der Aktionäre ist der Aufsichtsrat in Deutschland pluralistisch besetzt und besteht durch die gesetzlichen Mitbestimmungsregeln neben den Kapitalgebern insbesondere aus Arbeitnehmervertretern. Kritisiert wird, dass die Eigenkapitalgeber einseitig von einem Vergütungsvotum profitieren, während hingegen die Arbeitnehmervertreter an Einfluss verlieren (DGB 2013). Die Kompetenzreduzierung des Aufsichtsrats wird allerdings nicht nur von Arbeitnehmerseite, sondern ebenfalls seitens der Arbeitgeberverbände kritisch gesehen (BDI 2015). Allerdings ist diese Kritik zur Kompetenzverlagerung zulasten des Aufsichtsrats insofern zu relativieren, als dass die Kompetenz zur Implementierung und Fortentwicklung der Vorstandsvergütung auch nach dem ARUG II-RefE beim Aufsichtsrat verbleibt und nach § 107 Abs. 3 S. 3 AktG nicht delegiert werden darf. Mit Blick auf das deutsche Two-Tier-System und die möglichen Verwerfungen im Kompetenzgefüge der Unternehmungen erscheint die Nutzung der nationalen Wahlrechte und die eingeschränkte Anwendung der EU-Richtlinie auf große, börsennotierte Kapitalgesellschaften daher angemessen zu sein.

4. Empirischer Forschungsstand in Deutschland

4.1 Empirische Literatur zur Vorstandsvergütung

Die Vergütung von Vorständen repräsentiert ein zentrales Element der Corporate-Governance-Forschung. Untersuchungen von Werner und Ward (2004), Devers et al. (2007), Frydman und Saks (2010), Frydman und Jenter (2010), Rau (2015) sowie Edmans et al. (2017) geben einen Überblick über die bisherigen empirischen Befunde zur Vorstandsvergütung. Weitere Analysen richten sich an einzelne Teilbereiche, wie die Vergütungsregulierung (Murphy 2012; Faulkender et al. 2010), die Managementgehälter in Versicherungen (Maske und Hirsch 2018), den Zusammenhang zwischen Vergütung und Verschuldungsgrad (Gete und Gomez 2017) die Anreizintensität (Edmans und Gabaix 2009; Guay et al. 2003) oder beschäftigen sich ausschließlich mit der Vergütung des Vorstandsvorsitzenden (Bertrand 2009). Die Mehrzahl der Literaturzusammenfassungen verdeutlicht, dass die empirische Forschung die Vergütung von Vorständen in den Kontext des jeweiligen Corporate-Governance-Systems integriert. Ferner wird betont, dass die Vorstandsvergütung sich wesentlich auf zentrale Unternehmensentscheidungen auswirkt und dadurch u.a. die Unternehmensleistung, Rentabilität, Anzahl der Fusionen und Übernahmen sowie die Berichterstattung beeinflusst. Die Höhe, Art und Ausgestaltung eines Vergütungssystems sind vielfach den spezifischen Umständen der Unternehmung sowie den persönlichen Eigenschaften der Unternehmensleitung und der Anteilseignerstruktur angepasst.

Auffällig ist bezüglich der betrachteten Systeme, dass die Studien mehrheitlich angloamerikanische One-Tier-Strukturen einbeziehen, vorwiegend des US-amerikanischen Kapitalmarkts. Dagegen sind Untersuchungen in Two-Tier-Systemen wie Deutschland selten. Diese US-Forschungskonzentration ist vor dem Hintergrund weiterer soziökonomischer Besonderheiten, z.B. der bereits thematisierten tendenziellen Shareholder- oder Stakeholderorientierung kritisch zu beurteilen, da die Ergebnisse anderer Länder nicht unreflektiert übertragbar sind. Daher wird im Folgenden eine kompakte Übersicht der empirischen Forschung zur Vorstandsvergütung in Deutschland seit dem Inkrafttreten des VorstAG gegeben.

Die wissenschaftlichen Beiträge befassen sich primär mit 1. der *Höhe und Struktur* der Vorstandsvergütung, 2. der *Anreizintensität* und 3. der *Entwicklung im Zeitablauf*. Die Höhe der Vorstandsvergütung wird insbesondere durch die Unternehmensgröße bestimmt. Alleine die Unternehmensgröße in Verbindung mit Zeit- und Industrieeffekten kann bereits mehr als 60 % der Vorstandsvergütung in deutschen Prime-Market-Unternehmen erklären (Rapp und Wolff 2010). Die Medianvergütung eines DAX-30-Vorstandsmitglieds lag im Jahr 2017 bei Mio. 3,3 EUR, während einem MDAX-Vorstand im gleichen Zeitraum Mio. 1,7 Euro gezahlt worden sind (PWC 2018). Auch wenn die Unternehmensgröße als wesentlicher Treiber angesehen werden kann, ist jedoch zu beobachten, dass ihre Verdoppelung nicht automatisch zu einer Verdoppelung der Vergütung führt (Göx 2016).

Vorstände mit zusätzlichen Aufsichtsratsmandaten in anderen Unternehmen (Balsmeier und Peters 2009; Entorf et al. 2009), einer häufigen Medienpräsenz (Bültel 2011) oder zunehmenden Alter (Uepping 2015) erhalten eine deutliche höhere Vergütung. Diese Effekte werden häufig auf eine bessere Verhandlungsposition aufgrund des größeren Netzwerks, der längeren Berufserfahrung und der höheren Reputation zurückgeführt (Uepping 2015; Maug und Albrecht 2011). Gleichzeitig erhalten Vorstände eine höhere Vergütung, wenn der Aufsichtsrat Mehrfachmandate innehält (Rapp und Wolff 2010) oder der Aufsichtsratsvorsitzende ehemaliger Vorstandsvorsitzender ist (Uepping 2015). Es wird angenommen, dass die Kontrolle in solchen Situationen weniger effektiv ist: Mehrfachmandate binden Zeit und Ressourcen und ehemalige Vorstandsvorsitze im Aufsichtsrat sind weniger unabhängig als externe Mitglieder. Ein größerer Aufsichtsrat reduziert jedoch nicht automatisch die Vorstandsvergütung (Velte und Eulerich 2014; Balsmeier und Peters 2009). Auch die Kontrolle durch Paketaktionäre ist relevant: Unternehmen mit höherem Streubesitz zahlen dem Vorsitzenden signifikant höhere Vergütung (Uepping 2015).

Neben der Höhe der Zahlungen ist vor allem die Struktur von großem Interesse. Die im DAX-30 gelisteten Firmen zahlten im Jahr 2017 den Vorständen im Durchschnitt etwa 27 % als Fixvergütung, 24 % als kurzfristige variable Barvergütung und 39 % als langfristige, in der Regel aktienbasierte, Vergütung (PWC 2018). Variable Bar-vergütungen werden insbesondere von größeren Unternehmen genutzt, während kleine bis mittelgroße Unternehmen höhere Anteile an fixen Zahlungen aufweisen (Grund und Walter 2015). Die Nutzungsintensität und Häufigkeit der variablen Vergütung ist im Beobachtungszeitraum deutlich angestiegen, wobei gleichzeitig festzustellen ist, dass der Anteil von Zahlungen mit mehrjähriger Bemessungsgrundlage zugenommen hat (Pacher et al. 2015). Jährliche Bonuszahlungen werden sukzessive in „Bonusbanken" eingezahlt, deren Auszahlung an mehrjährige Periodenziele gekoppelt ist (Maske und Hirsch 2018).

Diese Entwicklung geht einher mit der Steigerung der Komplexität der Verträge (Friedl und Pfeiffer 2014). Ende 2016 haben börsennotierte Unternehmen des HDAX im Durchschnitt zwei bis fünf Zielgrößen für die kurzfristigen Bonuszahlungen und weitere ein bis vier Grundlagen für die Bemessung der langfristigen Vergütung verwendet (Pacher et al. 2017). Die Zunahme an Zielgrößen ist unter anderem der zunehmenden Nutzung nicht-finanzieller Leistungsindikatoren für die variable Vorstandsvergütung geschuldet (PWC 2018). Wilke et al. (2011) sowie Wilke und Schmid (2012) fanden für die Jahre 2010 und 2011 nur 7 bzw. 8 DAX-30-Unternehmen mit nicht-finanziellen Vergütungskriterien. Dieser Wert konnte sich bis 2014 bereits verdoppeln (Evers und Sure 2015). Nach einer Umfrage planen mehr als 60 % der 120 befragen Prime-Segment-Vorstände die Vergütungsverträge um nicht-finanzielle Aspekte anzureichern (Werder und Bartz 2014). Eine Auswertung des gesamten H-Dax durch Velte et al. (2018) bestätigt den aufgeführten Trend. Dies ist insofern relevant, als dass die empirische Forschung einen positiven Zusammenhang zwischen nicht-finanziellen Leistungsindikatoren in der Vorstandsvergütung und der CSR-Performance sowohl international (Hong et al. 2016) als auch für den deutschen Kapitalmarkt (Claassen und Ricci 2015) nachweisen konnte.

Darüber hinaus hebt sich Deutschland im europäischen und internationalen Vergleich durch einen verhältnismäßig geringen Anteil aktienbasierter Vergütungselemente ab, wohingegen die jährlichen Bonuszahlungen deutlich stärker gewichtet sind: Während durchschnittlich 40 % der Vergütung von DAX-30-Vorständen in Bonuszahlungen floss, waren es in lediglich 18 % in Frankreich, 19 % in den Niederlanden und 22 %

in den USA (Edmans et al. 2017). Umgekehrt liegen die aktienbasierten Zahlungen in Deutschland bei 10 % im Vergleich zu 16 % in Frankreich, 19 % in den Niederladen und 42 % in den USA. Dies beruht vor allem auf der verhältnismäßig späten Einführung von anteilsbasierten Vergütungskomponenten. Aufgrund der steigenden Komplexität bei abnehmender Vergleichbarkeit werden anteilsbasierte Vergütungskomponenten in der Fachwelt zum Teil kritisch betrachtet (Wighardt und Berger 2017; Friedl und Pfeiffer 2014). Diese Entwicklung wird teilweise verursacht durch die zunehmenden rechtlichen Vorgaben. Empirische Analysen zeigen, dass die EU-Regelungen zur Begrenzung von Bonuszahlungen in Kreditinstituten zu signifikant komplexeren Vergütungsmodellen geführt haben (Kleymenova und Tuna 2017).

Anreizintensität: Die Anreizintensität, regelmäßig als Pay-for-Performance-Sensitivität bezeichnet, kann entweder auf Basis der operativen Unternehmensleistung oder auf Basis des Unternehmenswerts am Aktienmarkt gemessen werden (Velte und Eulerich 2014). Die Anreizintensität unter Verwendung der operativen Unternehmensleistung ist in Deutschland vergleichsweise gering: Eine Erhöhung der Eigenkapitalrendite um 1 %-Punkt steigert die Vorstandsvergütung um 0,2 % bis 3 % (Balsmeier und Peters 2009). Eine Metaanalyse auf Basis angelsächsischer Kapitalmarktdaten beziffert die Pay-for-Performance-Sensitivity auf ca. 5 % (Tosi et al. 2000). Unter Verwendung der Marktkapitalisierung des Unternehmens lassen sich ähnliche Ergebnisse erzielen: Für eine Steigerung des Börsenwerts um 1.000 Euro (Dollar) wächst die Vergütung des Vorstands um ca. 6 bis 8 Cent in Deutschland (Göx 2016), verglichen mit einem Anstieg von 3,25 Dollar in den USA (Murphy und Jensen 2011).

Ein direkter Vergütungsvergleich beider Länder ist allerdings lediglich eingeschränkt möglich. Zum einen verwenden die Mehrzahl der deutschen Unternehmen (Bültel 2011) und insbesondere die Finanzdienstleister (Kampkötter und Sliwka 2011) bilanzielle Kennzahlen. Dabei ist neben dem Ertrag vor Zinsen und Steuern (Heimes und Seemann 2011) besonders die Eigenkapitalrendite (Balsmeier und Peters 2009) von Interesse. Gerade familiengeführte Unternehmen legen im Rahmen der Vorstandsvergütung den Fokus auf die Verknüpfung von operativer Unternehmensleistung anstelle einer hohen Kapitalmarktrendite (Achleitner et al. 2010). Die Koppelung an den Börsenwert ist daher seltener und wird insbesondere bei großen Aktiengesellschaften genutzt (Rapp und Wolff 2010). Fabbri und Marin (2016) gelangen für deutsche Aktienunternehmen zu dem Ergebnis, dass ein Großteil der anreizbasierten Vergütung durch die Entwicklung der jeweiligen Branche und nicht durch die unternehmensindividuelle Leistungen determiniert wird. Relative Leistungskennzahlen, welche an einen Benchmark gekoppelt sind, werden als Lösung für das Problem makroökonomischer Einflüsse gesehen. Zwischen 1987 bis 2001 verwendeten rund 15 % der DAX-100-Unternehmen relative Leistungskennzahlen (Hofmann et al. 2009). Obwohl Umfrageergebnisse zeigen, dass die Mehrzahl der börsennotierten Unternehmen relative Kennzahlen bei der Verwendung von Gewinngrößen für sinnvoll erachtet, etabliert nur etwa jedes dritte Unternehmen diese Messgrößen für die anteilsbasierte Vergütung tatsächlich (Pacher et al. 2017). Hier zeigt sich deutlich weiteres Potenzial zum Ausbau Benchmark-orientierter Kennzahlen.

Zeitablauf: Die nominelle Medianvergütung je Vorstandsmitglied im DAX-30 liegt in 2017 bei ca. 3,3 Mil. Euro (PWC 2018), im Vergleich zu 0,4 Million Euro in 1985 (Göx 2016). Damit hat sich die Vergütung nach Abzug des Inflationseffekts in den letzten 30 Jahren etwa verfünffacht. Ähnliche Ergebnisse finden Fabbri und Marin (2016). Allerdings existieren auch Ausnahmen von der insgesamt steigenden Entwicklung. Insbesondere die Bonuszahlungen bei Kreditinstituten waren, ausgelöst durch die Finanzmarktkrise, in den Jahren 2008 bis 2011 deutlich rückläufig (Grund und Walter 2015). Ursächlich hierfür ist primär die starke Koppelung der Bonuszahlungen an das Handelsergebnis (Efing et al. 2015). Beachtlich ist, dass die Verträge bereits ein bis zwei Jahre später das Vorkrisenniveau erreicht und zum Teil überschritten hat (Rapp und Wolff 2011; Götz und Friese 2012; Grund und Walter 2015).

Allerdings steht der wachsenden Vorstandsvergütung keine Erhöhung der Arbeiterlöhne und Arbeitnehmergehälter im gleichen Ausmaß gegenüber (Koch und Stadtmann 2011; Göx 2016). Diese Entwicklung spiegelt sich in der sogenannten „Manager to worker pay ratio" wieder: Während ein DAX-30-Vorstand Anfang der 1990er-Jahre etwa das 28-fache eines durchschnittlichen Arbeitsnehmers bezog, hat sich dieser Faktor im Jahr 2005 auf ca. 40 und im Jahr 2017 auf über 70 erhöht (Göx 2016; Weckes 2018). Der Anstieg des Lohngefälles zwischen Vorstand und Arbeitnehmern verläuft in DAX-30-Unternehmen stärker als im MDAX (Götz und Friese 2012). Allerdings ist hier eine hohe Spannweite zu verzeichnen: Während die „Manager to worker pay ratio“ bei der Commerzbank 25 betrug, lag die Deutsche Post mit 232 im Jahr 2017 an der Spitze (Weckes 2018). Dies ist auf die unterschiedlichen Organisationsstrukturen, Hierarchieebenen und Verteilung der Arbeitnehmer zurückzuführen. Ein direkter Vergleich solcher Faktoren ist daher kaum sinnvoll. Dennoch ist ein unternehmensindividueller Zeitreihenvergleich der „Ratio“ möglich.

Dabei ist zu beachten, dass die Entkoppelung der Vorstandsvergütung von der Vergütung der Arbeitnehmer Zweifel an der Angemessenheit der Verträge aufkommen lassen. Dies ist insofern problematisch, als wesentliche Gehaltsunterschiede innerhalb des Unternehmens von der Belegschaft als ungerecht angesehen werden und sowohl die Motivation als auch die Kooperation mit der Geschäftsführung beeinträchtigen. Entsprechende empirische Ergebnisse belegen diese Annahme auf nationaler (Cornelißen, Himmler, & Koenig, 2011; Struck, Dütsch, Gückelhorn, Hay, & Stephan, 2014) sowie internationaler Ebene (Wade et al. 2006). Dieses Problem dürfte sich weiter verstärken, da Auswertungen für Deutschland (Fabbri und Marin 2016) und die USA (Frydman und Saks 2010) unterstreichen, dass sich die Differenz weiter erhöht. Vor diesem Hintergrund können die im Kapitel 3 vorgestellten gesetzlichen Maßnahmen zur Regulierung der Vorstandsvergütung als angemessen angesehen werden.

4.2 Empirische Literatur zum Vergütungsvotum

Während die internationale Literatur zum Vergütungsvotum im Rahmen des 2. Fachartikels aufgearbeitet und analysiert wurde, soll das vorliegende Kapitel den Fokus auf die empirischen Forschungsergebnisse aus Deutschland legen. Diese ist überwiegend in Deutsch und analog der Vorstandsvergütung nicht Gegenstand vorhergehender Literature Reviews von Stathopoulos und Voulgaris (2015) oder Thomas und Von der Elst (2015). Wie in Kapitel 3 herausgearbeitet, zeichnet sich Deutschland durch eine im internationalen Vergleich seltene SOP-Regelung aus, da das Votum seit Einführung der VorstAG und bis zur Umsetzung des ARUG II-RefE freiwillig ist.

Die bisherige Forschung zeigt deutlich, dass nahezu alle DAX-30 Unternehmen im ersten Jahr des SOP ein Vergütungsvotum auf die Agenda der HV setzten (Vesper-Gräske 2013). Die Nutzung war im Zeitablauf jedoch rückläufig (Frank et al. 2013). Insbesondere große Unternehmen (Eisenschmidt 2016), die in einem bekannten Index gelistet sind (Eulerich et al. 2014), verwenden das Vergütungsvotum. Große Unternehmen haben in der Regel eine höhere Streuung der Aktionäre und ein gesetzlich reguliertes Vergütungsvotum bietet, im Vergleich zu bilateralen Gesprächen, eine effizientere Methode zur Einholung der Aktionärsmeinung. Die empirischen Ergebnisse zeigen deutlich, dass es eine positive Zusammenhang zwischen dem Anteil der Aktien im Streubesitz und der Häufigkeit eines SOP gibt (Eulerich et al. 2014; Eisenschmidt 2016). Gleichzeitig sinkt die Ablehnungsquote bei Unternehmen mit Paketaktionären (Behrmann und Sassen 2016; Drefahl 2013). Wesentliche Anteilspakete im Besitz des Vorstands reduzieren jedoch die Häufigkeit, da dieser seinen Einfluss ausüben kann, um ein SOP zu verhindern (Powell und Rapp 2015).

Neben der Unternehmensgröße und der Aktionärsstruktur ist vor allem die Höhe und Struktur der Vorstandsvergütung wichtig. Deutsche Unternehmen mit einem hohen Anteil an variablen Zahlungen stellen die Vergütung häufig zur Abstimmung, da bei einer starke Anreizintensität eine deutliche Zustimmung durch die Aktionäre erwartet wird (Drefahl und Pelger 2013). Im Umkehrschluss lässt sich nachweisen, dass eine hohe Gesamtvergütung die Häufigkeit eines SOP reduziert und die Ablehnungsquote erhöht (Behrmann und Sassen 2016).

Im Gegensatz zur Vorstandsvergütung scheint es keinen klaren Zusammenhang zwischen Unternehmensleistung und Häufigkeit eines SOP zu geben. Empirische Ergebnisse auf Basis der Gesamtkapitalrendite (Behrmann und Sassen 2016), Eigenkapitalrendite (Eisenschmidt 2016; Eulerich et al. 2014), Ergebnis vor Zinsen nach Steuern skaliert durch die Bilanzgröße (Powell und Rapp 2015) und der Aktienkursrendite (Drefahl und Pelger 2013) waren nicht signifikant. Dies ist insofern überraschend, als dass Troeger und Walz (2017) während der Einführung des freiwilligen Vergütungsvotums eine hohe Verbindung zwischen der Vergütung von Vorständen und Leistungsindikatoren wie der Eigenkapitalrendite fanden.[10]

[10] Wie in Forschungsziel 5 (Kapitel 1.2) definiert, geht der Fachartikel 4 näher auf die Zusammenhänge zwischen Unternehmensleistung und SOP ein. Die Ergebnisse werden in Kapitel 5.5 besprochen.

5. Forschungsergebnisse und Implikationen

5.1 Zusammenhang Forschungsfragen und Ergebnisse

Im Folgenden werden zunächst die Ergebnisse in Übereinstimmung mit den in Kapitel 1.2 formulierten *fünf Forschungszielen* diskutiert. Die Ergebnisse stammen aus den vier Fachartikeln, welche in den Anlagen I bis IV abgebildet sind. Dabei werden die Implikationen der Forschungsergebnisse analysiert und Möglichkeiten für die weitere Forschung in Form von klar definierten, *zukünftigen Forschungsfragen* abgeleitet (siehe auch Kapitel 1.3, Abbildung 4). Die Ableitung von Handlungsempfehlungen für die Gesetzgebung und Unternehmenspraxis ist ebenfalls Inhalt dieser Ausführungen. Die internationale Literaturanalyse, welche als zweites Forschungsziel formuliert worden ist, enthält bereits Handlungsempfehlungen innerhalb des Fachartikels. Der zweite Fachartikel wird daher nicht erneut diskutiert, sondern dient als Grundlage für die anderen Ergebnisse.

5.2 Theoretische Weiterentwicklung (Fachartikel 1)

Das erste Forschungsziel bildet die theoretische Basis, indem die Verbindung zwischen BAT und der SST hergestellt wird. Dabei wird der Bezug zur Vorstandsvergütung im ersten Fachartikel (Anlage I, Kapitel 4.1) erläutert und im Theorieteil des zweiten Fachartikels (Anlage II, Kapitel 2) weiter vertieft. Es wird aufgezeigt, dass verhaltensorientierte Aspekte bei der Vergütung eine zentrale Rolle spielen, da sie die subjektive Wahrnehmung der Angemessenheit der Vergütung beeinflussen. Während Aktionäre sich beispielsweise risikoneutral verhalten, sind die Vorstände grundsätzlich als risikoavers einzustufen (Pepper und Gore 2015; Wiseman und Gomez-Mejia 1998). Dies führt zu unterschiedlichen Annahmen in der Bewertung von erfolgsabhängigen Vergütungszahlungen. Während in der klassischen PAT eine exponentielle Abzinsung für ungewisse Zahlungen angenommen wird, geht die BAT von einer hyperbolischen Abzinsung aus (Pepper und Gore 2014). Die unterschiedlichen Diskontierungsfaktoren verursachen abweichende Erwartungswerte für zukünftige

Vergütungszahlungen. Es ist unklar, wie sich diese unterschiedliche Bewertung auf die gefühlte Angemessenheit der Vergütung auswirkt. Dabei sind Situationen möglich, in denen der Vorstand ein Vergütungspaket für angemessen (zu gering) hält, während es von den Aktionären für zu hoch (angemessen) empfunden wird.

Zukünftige Forschungsfrage 1: Welche Auswirkung hat die unterschiedliche Bewertung zukünftiger Zahlungen auf die gefühlte Angemessenheit der Vorstandsvergütung im Rahmen eines SOP.

Die Analyse der klassischen PAT sowie der BAT in Fachartikel 1 hat zusätzliche Implikationen für das SOP. Es wird erörtert, warum die Anreiz- und Überwachungsmechanismen der PAT empirisch vergleichsweise geringe Effekte aufweisen und wie deren Wirkung unter Verwendung verhaltensbezogener Kriterien verbessert werden kann. Dabei werden insbesondere die Konzepte der Fairness und Reziprozität verwendet. So kann theoretisch hergeleitet werden, dass sich eine Erhöhung der Anreiz- und Überwachungsintensität zwar positiv auf das Verhalten des Vorstands auswirkt, die beiden Instrumente jedoch einen abnehmenden Grenznutzen aufweisen. Dieser abnehmende Grenznutzen spiegelt sich in einem konkaven Zusammenhang wider und führt dazu, dass es einen optimalen Punkt der Anreiz- und Überwachungsintensität gibt (Anlage I, Kapitel 4). Eine Erhöhung der Instrumente jenseits dieses Punkts hat negative Auswirkungen auf das Verhalten des Vorstands, da die Intensität der Überwachung bzw. der Anteil der variablen Vergütung als ungerecht empfunden wird und negative Reziprozität auslöst.

Empirisch konnte im 3. Fachartikel ein solcher Zusammenhang für die Anreizintensität nachgewiesen werden: Die anteilsbasierte Vorstandsvergütung erhöht die Zustimmungsquote des SOP, jedoch mit abnehmendem Grenznutzen. Dies wird in Kapitel 5.3 thematisiert. Unklar ist jedoch noch, wie sich die Erhöhung der Überwachungsintensität durch die Einführung oder Verschärfung der SOP-Regelungen auswirkt. Der neoklassischen PAT zufolge sollte die Stärkung der Aktionärsrechte im Zuge eines SOP mit einer intensiveren Überwachung einhergehen. Dies führt zu einer erhöhten Disziplinierung des Vorstands und dadurch zu einer verbesserten Arbeitsleistung. Die in Fachartikel 1 vorgestellte Ableitung der BAT zeigt jedoch, dass eine übermäßig intensive Überwachung des Vorstands zu negativer Reziprozität führen kann, welche sich u.a. in einer geringeren Arbeitsleistung widerspiegelt. Diese Aussage begründet sich unter anderem auf der im Fachartikel 1 (Anlage I, Kapitel 4.2) hergeleiteten Annahme, dass Vorstände bei einer zu engmaschigen Kontrolle die Kooperation einstellen werden. Auf der einen Seite kann es also sein, dass die in Kapitel 3.3 vorgestellte Weiterentwicklung und Ausweitung des Vergütungsvotums tatsächlich einen Vorteil für die Aktionäre bringt, da die Überwachungs- und Eingriffsmöglichkeiten zunehmen. Auf der anderen Seite ist es jedoch möglich, dass die zunehmende Kontrolle als unangemessener Eingriff in die Arbeit der Unternehmensorgane empfunden wird und negative Reziprozität auslöst.

> *Zukünftige Forschungsfrage 2: Welche Auswirkung hat die Ausweitung der SOP-Regelungen auf die Arbeitsleistung der Vorstände unter Beachtung verhaltensorientierter Aspekte aus der BAT.*

5.3 SOP und die Vorstandsvergütung (Fachartikel 3)

Wie die Literaturanalyse im 2. Fachartikel zeigt, stellt die Vorstandsvergütung die wichtigste Determinante hoher SOP-Ablehnungsquoten dar. Grundsätzlich sind hohe Bezüge nicht per se ein Problem, sondern nur der als exzessiv eingestufte Anteil (Anlage II, Kapitel 4.1). Sowohl in den USA (Armstrong et al. 2013; Balsam et al. 2016; Cai und Walkling 2011; Ertimur et al. 2013) als auch in GB (Conyon und Sadler 2010; Gregory-Smith et al. 2014; Hooghiemstra et al. 2017) führt eine exzessive Vergütung zu höheren Ablehnungsquoten. Die Berechnungen des empirischen Fachartikels 4 aus Deutschland zeigen jedoch keine solche Verbindung. Exzessive Vergütungselemente sind für die gesamte Stichprobe insignifikant und lediglich für eine Teilmenge schwach signifikant (Anlage IV, Tabelle 5). Weitere Robustheitsanalysen dieser Stichprobe zeigen nahezu identische Ergebnisse für die Gesamtbezüge des Vorstands.

In Summe scheinen die Aktionäre weniger besorgt über die absolute Höhe oder die Höhe der ökonomisch nicht erklärbaren Vergütung zu sein, sondern konzentrieren sich auf die *Struktur* der Vergütung. Hierbei steht insbesondere die in Kapitel 4.1 diskutierte Anreizintensität (Pay-for-Performance-Sensitivität) über variable Bezüge im Vordergrund. Während in Deutschland insbesondere jährliche Bonuszahlungen Gegenstand der akademischen und regulatorischen Debatte sind (Thüsing und Forst 2010; Kluge und Röttgen 2013), konzentriert sich die internationale Forschung auf die Wirkung aktienbasierter Bezüge (Guay et al. 2003). Dies ist insofern plausibel, als die Auswertung der empirischen Literatur zu Deutschland in Kapitel 4.1 vergleichsweise hohe Boni und geringe anteilsbasierte Zahlungen zeigte. Vor diesem Hintergrund wurde bei der Analyse der Vergütungsstruktur in Fachartikel 3 eine differenzierte Betrachtung gewählt. Diese unterscheidet zwischen kurzfristigen Bonuszahlen in Bar und mittel- bis langfristig ausgerichteten anteilsbasierten Instrumenten. Die Ergebnisse des Fachartikels zeigen, dass Bonuszahlungen grundsätzlich *nicht* vorteilhaft sind, anteilsbasierte Zahlungen in Aktien oder aktienbasierten Surrogaten jedoch die Ablehnungsquote senken können (Anlage III, Tabelle 5).

Der Anstieg der Ablehnungsquote durch höhere Bonuszahlungen deckt sich mit vorhergehenden Studien aus den Niederlanden (Van der Elst und Lafarre 2017). Es ist davon auszugehen, dass der kurzfristige Zeithorizont von in der Regel einem Jahr den Interessen vieler Aktionäre zuwiderläuft. Ergebnisse aus Großbritannien verdeutlichen, dass die niedrigen Ablehnungsquoten der SOP-Abstimmungen insbesondere auf langfristige Investoren zurückzuführen sind (Stathopoulos und Voulgaris 2016). Diese Aktionärsgruppen dürften bei der Vorstandsvergütung keine kurzfristigen Resultate erwarten, sondern eine langfristige Strategie verfolgen. Die Ergebnisse decken sich auch mit den in Kapitel 3 beschriebenen Regulierungen, die variablen Bezüge mit den langfristigen bzw. nachhaltigen Unternehmenszielen besser in Einklang zu bringen.

Die Ergebnisse der anteilsbasierten Vergütung sind weniger einheitlich. So lehrt die PAT, dass die Beteiligung des Vorstands am Unternehmenserfolg über Aktienanteile Interessenskonflikte abbauen kann. Die in Fachartikel 2 durchgeführte Literaturanalyse zu SOP zeigt jedoch eine Reihe von negativen Effekten aus der aktienbasierten Vergütung auf: Aktien- und Aktienoptionen ohne Sperrfrist oder mit Mehrfachprüfung (Retesting Provisions) erhöhen ebenso die Ablehnungsquote wie der Verwässerungseffekt. Dieser Widerspruch wird im Rahmen des theoretisch-konzeptionellen Beitrags diskutiert. Entgegen der klassischen PAT wird in dem Beitrag argumentiert, dass der Zusammenhang zwischen variabler Vergütung des Vorstands und seiner Leistung nicht linear steigend, sondern konkav ist. Eine höhere variable Vergütung führt zunächst zu einem höheren Leistungsniveau, solange das Maß der variablen Vergütung noch als fair empfunden wird. Ab einem bestimmten Niveau wird der verhaltensorientierte Vorstand die variable Vergütung ablehnen und somit das Leistungsniveau reduzieren. Der BAT folgend sorgt negative Reziprozität dafür, dass diese Ablehnung einhergeht mit schädlichem Verhalten.

Der Fachartikel 3 testet die Annahme einer konkaven Beziehung empirisch. Die Ergebnisse bestätigen, dass die aktienbasierte Vergütung in Deutschland die Ablehnungsquote des SOP reduziert, jedoch mit abnehmender Intensität (Anlage III, Tabelle 5). Der positive Effekt kehrt sich daher ab einem bestimmten Niveau um, sodass es ein optimales Maß an aktienbasierter Vergütung gibt. In der Stichprobe des Fachartikels lag das Niveau bei ca. 69 % der Gesamtvergütung, wobei dies als rechnerisches Optimum und nicht als Empfehlung zur Gestaltung eines Vergütungssystems eingeschätzt werden darf. Dennoch kann damit aufgezeigt werden, dass die Vergütung in Aktien- oder Aktienoptionen kein „Allheilmittel“ gegen den Interessenkonflikt zwischen Vorstand und Aktionären darstellt, diesen aber sehr wohl reduzieren kann.

Die Aktien- oder Aktienoptionen werden, wie in Kapitel 4 dargelegt, zunehmend durch mittelfristige Bonuszahlungen und „Bonusbanken“ ergänzt. Die Auszahlung der Bonusbank ist regelmäßig an verschiedene mehrjährige Periodenziele gekoppelt. Eine derartige Verknüpfung kann bis zu einer Rückforderung für ausgezahlte Beträge reichen, wenn sich die Kriterien als nicht erfüllt herausstellen (Maske und Hirsch 2018). Mittelfristige Bonuszahlungen mit Rückgriffsforderung (Clawback-Provisions) werden insbesondere in den USA als Mittel zur Vermeidung kurzfristiger Ertragsoptimierung gesehen (Schneider 2010). Die Einführung gesetzlicher Clawback-Regelungen wird als Change zur Vermeidung von exzessiver Vergütungen gesehen (Fried und Shilon 2011). Es bleibt jedoch strittig, wie die Aktionäre am deutschen Kapitalmarkt auf die Einführung mittelfristiger Bonuszahlungen reagieren und wie diese im Rahmen eines SOP bewertet werden.

> *Zukünftige Forschungsfrage 3: Wie bewerten die Aktionäre die zunehmende Nutzung mittelfristiger Bonuszahlungen und „Bonusbanken“ beim SOP?*

Darüber hinaus verdeutlicht der 3. Fachartikel die Auswirkungen eines SOP auf die Vorstandsvergütung. Hiernach übt das SOP in Deutschland keinen Einfluss auf die *Höhe* der Vergütung aus. Gleichzeitig konnte mit der Stichprobe im Fachartikel 3 und 4 nachgewiesen werden, dass weder die absolute Höhe noch der exzessive Anteil der Vorstandsvergütung die SOP-Ablehnungsquote erhöhen. Daher ist es plausibel, dass der Aufsichtsrat keinen Anlass zur Reduzierung der Gesamtvergütung sieht, sondern die Struktur der Bezüge nach den Maßgaben der Aktionärsabstimmung anpasst. Die Bonuszahlungen wurden nach einem SOP verringert und die aktienbasierte Vergütung erhöht (Anlage III, Tabelle 6). Dabei blieb die aktienbasierte Vergütung bei allen Unternehmen weiterhin unter dem rechnerischen Optimum. Wie Jensen und Murphy (1990, S. 138) lange vor der erstmaligen Einführung des SOP feststellten „The relentless focus on how much CEOs are paid diverts public attention from the real problem – how CEOs are paid.“ Vor diesem Hintergrund erscheint die nachgewiesene Bewegung weg von kurzfristigen Bonuszahlungen und hin zu längerfristigen Zahlungen in Aktien- oder Aktienoptionen mit Sperrfrist ein wesentlicher Erfolg des SOP-Mechanismus in Deutschland zu sein.

Allerdings bleiben im Hinblick auf die Wirkung des SOP auf die Vergütungshöhe noch eine Reihe von Fragen offen. Für die internationale Forschung wurden insgesamt 19 Forschungsfragen definiert, wovon 10 Fragen die Vorstandsvergütung in Verbindung mit SOP betreffen. Für Deutschland kann darüber hinaus eine weitere, spezielle Fragestellung definiert werden. Wie in Kapitel 3 beschrieben, hat Deutschland seit der Einführung des VorstAG und bis zur Umsetzung des ARUG II-RefE ein freiwilliges Vergütungsvotum. Die in den empirischen Fachartikeln 3 und 4 verwendeten Stichproben zeigen, dass nicht alle Unternehmen das SOP tatsächlich nutzen. Diese Rahmenbedingen präsentieren ein natürliches Experiment, bei dem die tatsächliche Wirkung eines SOP auf die Vergütung berechnet werden kann, da die Unternehmen ohne Vergütungsvotum als Vergleichsgruppe dienen können. Kritiker der SOP-Regulierung führen an, dass Vorstände die geringen Ablehnungsquoten nutzen könnten, um höhere Vergütungsforderungen zu rechtfertigen (Mangen und Magnan 2012). Die Ergebnisse eines solchen natürlichen Experiments könnten helfen, diese Aussage zu bestätigen oder zu widerlegen.

Zukünftige Forschungsfrage 4: Kann ein freiwilliges SOP die Vorstandsvergütung reduzieren oder wird es vielmehr genutzt, um exzessive Vergütungspakete zu rechtfertigen?

5.4 SOP und der Aufsichtsrat (Fachartikel 3 und 4)

Die Literaturanalyse im 2. Fachartikel verdeutlicht, dass bestimmte Kriterien bezüglich des Aufsichtsrats Einfluss auf das Vergütungsvotum haben (Anlage II 2, Kapitel 4.3). Insbesondere die internationale Forschung mit dem monistischen System hebt hervor, dass eine höhere Unabhängigkeit (Sauerwald et al. 2016), ein höherer Anteil externer Direktoren (Cai und Walkling 2011) oder größere Verwaltungsgremien (Renneboog und Szilagyi 2011) die Ablehnungsquote verringern. Für den deutschen Kapitalmarkt wurden die Variablen für den Aufsichtsrat entsprechend angepasst: Die Stichprobe umfasste neben der geschlechterspezifischen Vielfalt und der Anzahl der Ausschusszugehörigkeiten eine Variable zur Messung der individuellen Publikation der Aufsichtsratsvergütung (Anlage IV, Tabelle 2). Die verwendeten Variablen hatten jedoch keinen signifikanten Einfluss auf die SOP-Ablehnungsquote (Anlage IV, Tabelle 5).

Es ist möglich, dass bereits die Trennung von Vorstand und Aufsichtsrat ausreicht, um eine angemessene Kontrolle des Vorstands zu erreichen bzw. die Erwartungshaltung der Aktionäre umzusetzen. Das heißt, weitere konkrete Corporate-Governance-Instrumente wie die Förderung der Diversität oder die (individualisierte) Offenlegung der eigenen Bezüge sind nicht mehr erforderlich. Wie verschiedene Forschungsergebnisse zeigen, unterstützt die klare Rollenverteilung beider Organe im dualistischen System die Kontrollfunktion des Aufsichtsrats (Petrovic 2008). Jedoch ist zu beachten, dass wenig über Qualitätsindikatoren für die Arbeit von Aufsichtsräten bekannt ist (Bezemer et al. 2014; Jungmann 2006). Verglichen mit dem monistischen System bestehen wenige wissenschaftlich etablierte Approximationen für die Arbeit des Aufsichtsrats (Millet-Reyes und Zhao 2010). Da der Aufsichtsrat für die Implementierung eines angemessenen Vergütungsvertrags verantwortlich ist und die Aktionäre über diesen Vertrag abstimmen, scheint das SOP eine geeignete Möglichkeit zu sein, solche Indikatoren empirisch zu untersuchen. Dabei kann die im ersten Fachartikel hergeleitete theoretische Verbindung zwischen Aufsichtsrat und Vorstand (Anlage I, Kapitel 4.2) zusammen mit den im vierten Fachartikel verwendeten Variablen als Ausgangsbasis dienen. Die dergestalt gewonnenen Erkenntnisse über die Qualität der Vergütungsverträge können im Anschluss auf andere Arbeitsbereiche des Aufsichtsrats übertragen werden, um valide Approximationen zu testen.

> *Zukünftige Forschungsfrage 5: Welche Eigenschaften ermöglichen es dem Aufsichtsrat Vergütungsverträge auszuhandeln, die dem Interesse der Aktionäre entsprechen?*

Dass die Aktionäre den Aufsichtsrat für eine unangemessene Vergütungspolitik verantwortlich machen, zeigen die Berechnungen des 3. Fachartikels. So konnte dargelegt werden, dass die Aktionäre insbesondere dann gegen ein SOP stimmen, wenn sie davon ausgehen, dass der Anteil der Bonuszahlungen zu hoch ist und der Aufsichtsrat für diese überhöhten Bonuszahlungen verantwortlich ist (Anlage III, Tabelle 5). Wie voranstehend ausgeführt, reagiert der Aufsichtsrat auf solche Situationen durch die Anpassung der Vergütungsverträge. Fraglich ist jedoch, ob die Verwendung kurzfristiger Bonuszahlungen

1) bewusst gegen die Interessen der Aktionäre geschieht oder
2) aus Unwissenheit über die Erwartungen der Aktionäre erfolgt.

Zu 1) Für den Fall einer bewussten Entscheidung zugunsten kurzfristiger Bonuszahlungen entgegen lang- oder mittelfristiger Instrumente muss übergeprüft werden, ob eine Absprache zwischen Vorstand und Aufsichtsrat erfolgte, die nicht im Interesse der Aktionäre ist. Wie in Kapitel 2.2 erläutert, kann eine Koalition zwischen den beiden Organen zulasten der Aktionäre führen. Eine derartige Absprache würde durch eine verbindliche SOP-Regelung verhindert werden, wie der Fachartikel 3 verdeutlicht. Allerdings ist es auch möglich, dass die Verwendung von jährlichen Bonuszahlungen notwendig ist, um den Vorstand an das Unternehmen zu binden. Eine zu einseitige Ausrichtung der Vorstandsvergütung auf die Interessen der Aktionäre kann daher unbeabsichtigte negative Effekte hervorrufen. So ist es möglich, dass die Interessen der Vorstände nicht ausreichend berücksichtigt werden und deshalb Manager nicht an das Unternehmen gebunden oder für das Unternehmen gewonnen werden können. Bisher liegen hierzu noch keine Forschungsergebnisse vor und es ist daher unklar, ob derartige unbeabsichtigte Konsequenzen bestehen.

> *Zukünftige Forschungsfrage 6: Hat der zunehmende Fokus auf die Erwartungen der Aktionäre und die abnehmende Berücksichtigung der Vorstandsinteressen durch die Einführung eines SOP unbeabsichtigte, negative Konsequenzen für das Unternehmen?*

Zu 2) Die Verwendung von Bonuszahlungen entgegen dem Interesse der Aktionäre kann jedoch auch aus Unwissenheit über ihre Erwartungshaltung erfolgen. Wie Kapitel 4.1 aufgezeigt, ist die Komplexität der Vergütungsverträge in den letzten Jahren kontinuierlich angestiegen. Diese Komplexität wird u.a. durch die vorgestellte gesetzliche Entwicklung verursacht. Vielfach wird kritisiert, dass der Aufsichtsrat kaum mehr in der Lage ist, sämtliche Kriterien zur Festsetzung der Vorstandsvergütung zu befolgen und daher Vergütungsausschüsse einberuft und zusätzlich externe Vergütungsberater engagiert (Fleischer 2010). Allerdings zeigt 2. Fachartikel (Anlage II, Kapitel 6.1), dass bisher kaum Forschungsergebnisse zur Auswirkung von internen Vergütungsausschüssen oder externen Vergütungsberatern auf die Höhe oder Struktur der Vorstandsvergütung vorliegen. Auch der Einfluss beider Instrumente auf die SOP-Abstimmungsergebnisse ist für Deutschland bisher nicht analysiert. Dies liegt u.a. an der im internationalen Vergleich geringen Transparenz der bisherigen Unternehmensberichterstattung in diesem Bereich (Rapp und Wolff 2010). Insbesondere die in Kapitel 3 vorgestellte Weiterentwicklung des Vergütungsberichts dürfte diese Hürde beseitigen und weitere Forschung in diesem Bereich ermöglichen.

Zukünftige Forschungsfrage 7: Welchen Einfluss haben Vergütungsausschüsse oder Vergütungsberater auf die Höhe und Struktur der Vorstandsvergütung sowie die SOP-Abstimmungsergebnisse?

5.5 SOP und die Unternehmensleistung (Fachartikel 4)

Das fünfte Forschungsziel befasst sich mit der Wirkung der Unternehmensleistung auf die Häufigkeit eines Vergütungsvotums sowie dessen Abstimmungsergebnis. Sowohl die in Fachartikel 3 und 4 verwendeten Stichproben als auch andere Beiträge aus Deutschland (Eisenschmidt 2016; Eulerich et al. 2014; Behrmann und Sassen 2016) zeigen eine im Zeitablauf abnehmende Nutzung des SOP. Die erhobenen Daten aus dem Prime Standard der Frankfurter Wertpapierbörse lassen erkennen, dass die Einführung des SOP mit einer anfänglich hohen Anzahl an Vergütungsvoten einherging. So zeigt Anlage IV, Tabelle 1 insgesamt 167 SOP in den ersten beiden Jahren (2010 – 2011). Dieses Niveau konnte allerdings nicht gehalten werden und die anschließenden vier Jahre (2012 – 2015) weisen in Summe 101 Abstimmungen aus.

Eine tiefergehende Analyse erfolgt im Rahmen des 4. Fachartikels (Anlage IV, Kapitel 4.1). Die Ergebnisse zeigen, dass insbesondere kleinere und mittlere Aktiengesellschaften mit Paketaktionären ein SOP vermeiden. Zusätzlich konnte festgestellt werden, dass die Unternehmensverwaltung den Zeitpunkt einer Vergütungsabstimmung gezielt mit der Unternehmensleistung abstimmt, vermutlich um hohe Zustimmungsquoten zu erzielen. So verdeutlichen die Auswertungen (Anlage IV, Tabelle 4), dass Unternehmen ein Vergütungsvotum insbesondere dann durchführen lassen, wenn die Analysten-Erwartungen erfüllt oder übertroffen wurden und das Tobin's Q als Maß der Marktperformance hoch ist. Ähnliche Ergebnisse werden beim Cashflow sowie der nichtfinanziellen Unternehmensleistung gemessen. Es kann daher festgehalten werden, dass ein wesentlicher Teil der deutschen börsennotierten Aktiengesellschaften den Zeitpunkt eines Vergütungsvotums gezielt mit der Unternehmensleistung abstimmt.

Wie Tabelle 5 im Anlage IV zeigt, wird dieses gezielte Timing tatsächlich durch geringere Ablehnungsquoten belohnt. Dabei ist vor allem das Zusammenspiel aus dem Erreichen der Analystenerwartungen (Meet/Beat Analyst Earnings Targets) und den Kennzahlen zur Unternehmensleistung (Tobin's Q, Free Cashflow) relevant. Die Ergebnisse aus dem 4. Fachartikel decken sich mit der Literaturanalyse im zweiten Fachartikel, wonach die schlechte Unternehmensleistung ein wichtiger Treiber für höhere Ablehnungsquoten ist (Anlage II, Kapitel 4.2). Der Zusammenhang wird damit begründet, dass eine geringe Unternehmensleistung bei gleichzeitig hoher Vorstandsvergütung auf eine unzureichende Anreizintensität hindeutet. Allerdings werden Anreizintensität, Gesamtvergütung und Unternehmensleistung in den meisten Studien zusammenfassend ausgewertet. Detaillierte Ergebnisse über die Gewichtung der einzelnen Komponenten liegen kaum vor. Insbesondere die Trennung zwischen höheren SOP-Ablehnungsquoten aufgrund fehlender Anreizintensität oder unzureichender Unternehmensleistung wird vielfach vernachlässigt.

Der 4. Fachartikel legt hier den Grundstein, indem einzelne Kennzahlen zur Unternehmensleistung zusammen mit der exzessiven Vergütung und dem Anteil an aktienbasierten Vergütungszahlungen getestet werden. Allerdings zeigen die Ergebnisse des Fachartikels, dass die exzessive Vergütung in Deutschland lediglich eine untergeordnete Rolle spielt (Anlage IV, Tabelle 5). Dies kann unter Umständen auf die Berechnung der exzessiven Vergütung zurückgeführt werden, da die verwendete Messgröße eine von mehreren Approximationen abbildet (Guay et al. 2003) ist. Weitere Analysen von Unternehmensleistung und Vorstandsvergütung sind daher notwendig, um die Effekte zu zerlegen und ein genaueres Bild von der Wirkung der Unternehmensleistung auf die SOP-Ablehnungsquote zu erlangen.

> *Zukünftige Forschungsfrage 8: Welcher Anteil der SOP-Ablehnungsquoten ist auf die fehlende Anreizintensität zurückzuführen und welcher wird ausschließlich durch eine unzureichende Unternehmensleistung verursacht?*

Die Differenzierung zwischen Wirkung der Unternehmensleistung und Wirkung der Anreizintensität ist deshalb von hoher Relevanz, weil der 4. Fachartikel darauf hindeutet, dass das SOP als Mechanismus zur Disziplinierung des Vorstands verwendet wird und nicht, wie vorgesehen, zur Reduzierung unangemessener Vorstandsgehälter. Erste Ergebnisse aus den USA zeigen einen ähnlichen Effekt (Fisch et al. 2018). Es ist daher möglich, dass SOP weniger zur Verhinderung einer exzessiven Vergütung und vielmehr zur allgemeinen Disziplinierung des Vorstands beiträgt (Anlage IV, Kapitel 5). Auch wenn die Aktionäre über andere Wege zur Ermahnung ihrer Vorstände verfügen (z.B. über die Abstimmung zur Entlastung), bietet das Vergütungsvotum den Vorteil, dass mit einer mehrheitlichen Ablehnung keine direkten juristischen Konsequenzen einhergehen. Wie der 2. Fachartikel (Anlage II, Kapitel 5.3) zeigt, entsteht die disziplinierende Wirkung eines Vergütungsvotums vor allem für SOP-Abstimmungen, die durch die Aktionäre initiiert wurden (Proxy Proposals). So weisen Unternehmen, die Ziel eines solchen Antrags waren, eine höhere Unternehmensleistung (Del Guercio et al. 2008), geringe Kapitalkosten (Cuñat et al. 2016) und höhere Dividenden (Brav et al. 2009) in den Folgeperioden aus. Auch wenn gesetzlich vorgeschriebene Vergütungsabstimmungen durch eine hohe Ablehnungsquote einen positiven Effekt auf die Unternehmensleistung haben können (Brunarski et al. 2015), ist der Zusammenhang deutlich geringer ausgeprägt und vergleichsweise selten analysiert.

Zukünftige Forschungsfrage 9: Hat ein gesetzlich vorgeschriebenes SOP einen disziplinierenden Effekt, welcher die Unternehmensleistung steigert?

Die Unternehmensleistung wird in der Literatur nahezu immer als finanzielle Leistung definiert (Anlage II, Kapitel 6). Die nicht-finanzielle Unternehmensleistung (CSR-Performance) wird bislang selten einbezogen. Der 4. Fachartikel knüpft an die in der Literaturanalyse beschriebene Forschungslücke an und testet u.a. den Zusammenhang zwischen CSR-Performance und SOP-Ablehnungsquote. Die Ergebnisse deuten nicht darauf hin, dass Aktionäre die CSR-Performance als Indikator verwenden, wenn sie über die Angemessenheit der Vorstandsvergütung abstimmen. Dies ist insofern überraschend, als dass sich eine steigende Anzahl an Investoren für die CSR-Performance ihrer Unternehmen interessiert. Literaturanalysen zum nicht-finanziellen Shareholder-Aktivismus zeigen deutlich, dass die Motivation und der Hintergrund der Aktionäre eine wesentliche Rolle spielen (Cundill et al. 2018; Briscoe und Gupta 2016; Goranova und Ryan 2014; Sjöström 2008; Guay et al. 2004, sowie Anlage II, Kapitel 2.1). Dabei müssen vor allem institutionelle Investoren berücksichtigt werden, da diese sowohl in der internationalen Forschung (Brandes et al. 2008) als auch die in den Fachartikeln 3 und 4 verwendete Stichprobe aus Deutschland die größte Aktionärsgruppe stellen. Sie bilden regelmäßig Koalitionen, um ihre Verhandlungsstärke zu erhöhen (Lewis und Mackenzie 2000) und führen Gespräche mit der Unternehmensleitung ‚hinter den Kulissen', um die eigenen Interessen durchzusetzen (McCahery et al. 2016). Auswertungen aus den USA zeigen, dass Vorstände auf etwa 95 % der Kritik von institutionellen Investoren reagieren (Wen 2009).

Gleichzeitig sollte beachtet werden, dass die Gruppe der institutionellen Investoren äußerst heterogen ist (Ryan und Schneider 2003). So muss u.a. der Anlagehorizont berücksichtigt werden. Während Pensions- und Investmentfonds in der Regel als langfristig eingestuft werden, gelten Hedge Fonds und Investmentbanken als kurzfristige Anleger (Johnson et al. 2010; Zahra 1996). Wenn die Investmentstrategie des Aktionärs eine kurzfristige Rendite fordert, sinkt das Interesse an einer höheren CSR-Performance, da diese sich häufig erst über einen längeren Zeitraum positiv auf die finanzielle Unternehmensleistung auswirkt (Friede et al. 2015). Gleichzeitig zeigen Forschungsergebnisse aus Großbritannien, dass vor allem langfristige Investoren für die geringen SOP-Ablehnungsquoten verantwortlich sind (Stathopoulos und Voulgaris 2016). Es erscheint daher notwendig, die in Fachartikel 4 initial getestete Verbindung zwischen nicht-finanzieller Unternehmensleitung und SOP-Abstimmungsergebnissen unter Berücksichtigung der Aktionärsstruktur weiter zu vertiefen.

Zukünftige Forschungsfrage 10: Wie ist die Wirkung der nicht-finanziellen Unternehmensleistung unter Berücksichtigung der Aktionärsstruktur auf SOP?

6. Zusammenfassung und Fazit

Die vorliegende kumulative Dissertation besteht aus vier Fachartikeln und einem Rahmenpapier zum SOP. In dem Rahmenpapier wird zunächst die Forschungsrelevanz aufgezeigt und basierend auf bestehenden Forschungslücken zum Vergütungsvotum werden fünf konkrete Forschungsziele formuliert. Die Beantwortung dieser Forschungsziele erfolgt in den vier Fachartikeln. *Abbildung 8* (eigene Darstellung) zeigt eine zusammenfassende Übersicht der Forschungsziele und -ergebnisse. Das Rahmenpapier schließt mit der Bewertung und Diskussion der Forschungsergebnisse. Dabei werden weitere Forschungslücken zum SOP in Form von zehn konkreten Forschungsfragen speziell für Deutschland aufgezeigt. *Abbildung 9* (eigene Darstellung) fasst diese Forschungsfragen zusammen und teilt sie in die drei Themengebiete auf.

Als erstes Forschungsziel ist die Kombination von PAT und SST unter Verwendung verhaltensorientierter Aspekte formuliert. Die theoretisch-konzeptionelle Analyse hat zwei wesentliche Moderatoren ergeben: zum einen das Bestehen einer Zielkongruenz beider Akteure und zum anderen die Berücksichtigung von Fairness und Reziprozität. Fairness lässt sich aufteilen in distributive Gerechtigkeit, welche insbesondere für die Anreizintensität im Zuge der variablen Vergütung relevant ist, und die prozedurale Gerechtigkeit, die sich auf die Wahrnehmung der Überwachung durch den Aufsichtsrat oder die HV auswirkt. Die Diskussion der theoretischen Erkenntnisse führte zu zwei verschiedenen Forschungsfragen, welche auf die unterschiedliche Wahrnehmung von zukünftigen Vergütungszahlungen und die Auswirkungen des SOP auf die Arbeitsleistung des Vorstands abzielen.

Im Zuge des zweiten Forschungsziels wurde in Fachartikel 2 eine systematische Literaturanalyse zu den bisherigen Forschungsergebnissen zum SOP sowie zum vergütungsbezogenen Shareholder-Aktivismus durchgeführt. Dabei wurden 71 empirische Primärartikel ausgewertet und 19 Forschungsfragen für die internationale Forschung definiert. Die Ergebnisse dieser Literaturanalyse dienen auch als Grundlage für die Forschungsziele drei bis 5.

	1. Forschungsziel	2. Forschungsziel	3. Forschungsziel	4. Forschungsziel	5. Forschungsziel
Definition	Kombination von PAT und SST unter Verwendung verhaltensorientierter Aspekte	Systematische Literaturanalyse zu den bisherigen Forschungsergebnissen zum SOP sowie zum vergütungsbezogenen Shareholder-Aktivismus durch sog. Proxy Votes	Überprüfung der empirischen Wirkung von variablen Vorstandsvergütungen auf SOP-Abstimmungsergebnisse in Deutschland	Überprüfung, ob der Aufsichtsrat nach einer erhöhten SOP-Missbilligung die Vorstandsvergütung in Einklang mit den Interessen der Aktionäre bringt	Ermittlung des Zusammenhangs zwischen Unternehmensleistung und SOP-Abstimmungswahrscheinlichkeit sowie SOP-Abstimmungsergebnissen
Behandelt in Fachartikel	1. Fachartikel	2. Fachartikel	3. Fachartikel	3. Fachartikel & 4. Fachartikel	4. Fachartikel
Wesentliche Ergebnisse	Zielkongruenz und die Berücksichtigung von Gerechtigkeit dienen als Moderator zur Unterscheidung, ob ein Agent PAT- oder SST-konform handelt. Während die distributive Gerechtigkeit insbesondere für die Anreizintensität im Zuge der variablen Vergütung relevant ist, zielt die prozedurale Gerechtigkeit auf die Überwachung durch den Aufsichtsrat oder die HV ab.	Aufteilung der internationalen Forschungsergebnisse in SOP-Determinanten (Input-Faktoren) und Auswirkungen (Output-Faktoren). Analyse der Ergebnisse unter Berücksichtigung der theoretischen Konzepte (PAT, SST & BAT). Ableitung von 19 Handlungsempfehlungen für die Forschung	Bonuszahlungen erhöhen die Ablehnungsquote, aktienbasierte Zahlungen reduzieren die Ablehnungsquote, jedoch mit abnehmendem Grenznutzen. Exzessive Vorstandsvergütung hat geringe Auswirkungen auf die Ablehnungsquote. Nach SOP-Abstimmungen erhöht sich die anteilsbasierte Vergütung bei gleichzeitigem Rückgang der Bonuszahlungen.	Die SOP-Ablehnung verursacht durch Bonuszahlungen an Vorstände ist insbesondere dann hoch, wenn gleichzeitig die Zustimmung bei der Entlastung des Aufsichtsrats gering ist. Gängige Kontrollvariablen zur Ermittlung der Qualität der Überwachung durch den Aufsichtsrat haben keinen signifikanten Einfluss auf die Abstimmungsergebnisse.	Unternehmen mit einer guten finanziellen Leistung setzen ein SOP auf die Tagesordnung der HV. Dabei spielt das Erreichen der Gewinnerwartung eine zentrale Rolle. Aktionäre belohnen finanzielle Leistungen durch höhere Zustimmung. Dies gilt nicht für die CSR-Performance.

Abbildung 8: Übersicht der Forschungsergebnisse

	1. Forschungsziel	2. Forschungsziel	3. Forschungsziel	4. Forschungsziel	5. Forschungsziel
Themenfeld	Weiterentwicklung der Theorie zum Handeln von Vorständen	Literaturanalyse zu SOP und vergütungsbezogenen Shareholder-Aktivismus	SOP und die Vorstandsvergütung	SOP und die Rolle des Aufsichtsrats	SOP und die Unternehmensleistung
Rahmenpapier	Kapitel 5.2	Kapitel 5.3 bis 5.5	Kapitel 5.3	Kapitel 5.4	Kapitel 5.5
Zukünftige Forschungsfragen	1. Welche Auswirkung hat die unterschiedliche Bewertung zukünftiger Zahlungen auf die gefühlte Angemessenheit der Vorstandsvergütung im Rahmen eines SOP? 2. Welche Auswirkung hat die Ausweitung der SOP-Regelungen auf die Arbeitsleistung der Vorstände unter Beachtung verhaltensorientierter Aspekte aus der BAT?	Die Ableitung von 19 separaten Forschungsfragen für die internationale Forschung erfolgte im Rahmen des Fachartikels (Anlage II, Kapitel 6).	3. Wie bewerten die Aktionäre die zunehmende Nutzung mittelfristiger Bonuszahlungen und „Bonusbanken“ beim SOP? 4. Kann ein freiwilliges SOP die Vorstandsvergütung reduzieren oder wird es vielmehr genutzt, um exzessive Vergütungspakete zu rechtfertigen?	5. Welche Eigenschaften und zugehörige Approximationen ermöglichen es dem Aufsichtsrat, Vergütungsverträge auszuhandeln, die dem Interesse der Aktionäre entsprechen? 6. Hat der zunehmende Fokus auf die Erwartungen der Aktionäre und die abnehmende Berücksichtigung der Vorstandsinteressen durch die Einführung eines SOP unbeabsichtigte, negative Konsequenzen für das Unternehmen? 7. Welchen Einfluss haben Vergütungsausschüsse oder Vergütungsberater auf die Höhe und Struktur der Vorstandsvergütung sowie die SOP-Abstimmungsergebnisse?	8. Welcher Anteil der SOP-Ablehnungsquoten ist auf die fehlende Anreizintensität zurückzuführen und welcher wird ausschließlich durch eine unzureichende Unternehmensleistung verursacht? 9. Hat ein gesetzlich vorgeschriebenes SOP einen disziplinierenden Effekt, welcher die Unternehmensleistung steigert? 10. Wie ist die Wirkung der nicht-finanziellen Unternehmensleistung unter Berücksichtigung der Aktionärsstruktur auf SOP?

Abbildung 9: Übersicht der zukünftigen Forschungsfragen

Das dritte Forschungsziel umfasst die Vorstandsvergütung, wobei Fachartikel 3 insbesondere die Vergütungsstruktur analysiert. Die empirischen Studien zum deutschen Kapitalmarkt haben ebenso wie die Literaturanalyse der internationalen Forschungsergebnisse aufgezeigt, dass Vergütungsverträge als komplexe Systeme betrachtet werden müssen, bei denen eine dezidierte Analyse aller Vergütungskomponenten erforderlich ist. Dabei bildet der theoretisch-konzeptionelle Beitrag (zweiter Fachartikel) die Grundlage zum Verhalten von Vorständen sowie der Wirkung von Anreiz- und Überwachungsmechanismen. So wird u.a. theoretisch hergeleitet, aus welchen Gründen anreizbasierte Vergütungsinstrumente lediglich bis zu einem bestimmten Grad vorteilhaft sind und über diesem Grad der optimalen Nutzung hinaus negative Konsequenzen haben können. Die empirischen Ergebnisse des dritten Fachartikels bestätigen diese Annahme, da die anteilsbasierte Vergütung zwar die Ablehnungsquote grundsätzlich reduziert, allerdings einen abnehmenden Grenznutzen aufweist.

Gleichzeitig scheinen Vorstand und Aufsichtsrat die Bedeutung der SOP-Ablehnungsquoten zu verstehen und passen die Struktur der Vorstandsvergütung nach den Wünschen der Aktionäre an. Hier lässt sich jedoch in der Diskussion der Forschungsergebnisse erkennen, dass noch weiterer Bedarf zur Analyse der beabsichtigten und unbeabsichtigten Wirkungen von SOP-Abstimmungen besteht. Eine unbeabsichtigte Folge der gesetzlichen Regulierung der Vorstandsvergütung und des SOP ist die zunehmende Komplexität der Vergütungssysteme. Dies konnte die Literaturanalyse der Vorstandsvergütung in Deutschland im Rahmenpapier hervorheben. Der Aufsichtsrat muss bei der Vorstandsvergütung und dem SOP dieser Entwicklung Rechnung tragen und die Vergütungssysteme laufend anpassen. Die dafür benötigte Fachkompetenz werden die Aufsichtsräte zumindest teilweise firmenintern aufbauen müssen (z.B. über Vergütungsausschüsse) und extern einkaufen (z.B. über Vergütungsberater). Es ist davon auszugehen, dass die Verwendung von Vergütungsausschüssen und Beratern die „Best Practice“ darstellen wird. Bisher ist wenig über den Einfluss beider Gruppen aus empirischer Sicht bekannt.

Ebenso ist vergleichsweise wenig über den Beitrag der nicht-finanziellen Unternehmensleistung zum SOP bekannt. Die Literaturanalyse in Fachartikel 2 deutet darauf hin, dass die CSR-Performance für die Aktionäre zwar von Interesse ist, die empirischen Ergebnisse des 4. Fachartikels können dies jedoch nicht bestätigen. Die in Kapitel 5 durchgeführte Diskussion zeigt, dass die fehlende Verbindung zwischen CSR-Performance und SOP-Abstimmung ggf. auf die unzureichende Berücksichtigung der vielschichtigen Aktionärsstruktur zurückzuführen ist. Insbesondere die Strukturen der in der HV vertretenen Aktionäre wurden in der bisherigen Fachliteratur nur unzureichend beachtet (Anlage II, Kapitel 6.1). Aufgrund der deutlichen Heterogenität der Investoren und der damit einhergehenden unterschiedlichen Risiko- und Zeitpräferenzen ist eine dezidierte Betrachtung notwendig.

Abschließend hat die Analyse des Vergütungsvotums in Deutschland ergeben, dass die Kompetenzübertragung zulasten des Aufsichtsrats und zugunsten der Aktionäre vielfach kritisiert wird. Dabei ist insbesondere angeführt worden, dass die SOP-Regelung ihren Ursprung in der angloamerikanischen Gesetzgebung hat und möglicherweise ein Fremdkörper im deutschen Two-Tier-System darstellt. Die Ergebnisse des 3. Fachartikels zeigen deutlich, dass der Aufsichtsrat nach Abhaltung eines SOP die Vergütungsstrukturen in Übereinstimmung mit den Aktionärswünschen gestaltet. Ob dieser Fokus auf die Aktionärswünsche tatsächlich vorteilhaft ist oder es langfristig für die Unternehmung sinnvoller ist, die Kompetenz beim Aufsichtsrat zu belassen, ohne Mitsprache der Aktionäre einzufordern, ist noch nicht sicher. Es muss geprüft werden, ob der Ausbau der Aktionärsrechte durch die SOP-Regelung das deutsche Corporate-Governance-System bereichert oder die Regulierung durch ungewollte, negative Konsequenzen begleitet wird. Vor diesem Hintergrund erscheint die moderate Umsetzung der neugefassten EU-Aktionärsrechterichtlinie durch den ARUG II-RefE unter Verwendung der gegebenen Mitgliedstaatenwahlrechte sachlogisch.

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I. Anlage: Mutualistic symbiosis? Combining theories of agency and stewardship through behavioral characteristics (Fachartikel 1)

Jörn Obermann/Patrick Velte

Abstract[11]

Although principal-agent theory has gained a prominent place in research, its negative image of self-serving managers is frequently criticized. Consequently, scholars advocate the utilization of positive management theories, such as stewardship theory. This paper reviews the literature of both theoretical concepts and describes how behavioral characteristics allow for a mutually beneficial symbiosis of the two theories. It argues that 1) goal congruency and 2) the perception of fairness can serve as moderators distinguishing both theories. Goal congruency can be achieved by stipulating psychological ownership. The perception of distributive and procedural fairness is demonstrated by two major corporate governance mechanisms: performance-based compensation and board monitoring. The results are summarized in six hypotheses that allow a situational, customized corporate governance. These hypotheses can be tested in future research.

"Mutually beneficial associations between individuals of different species, called **mutualistic symbioses**, have enabled major ecological innovations and underlie some of the major transitions in evolution."
Aanen and Bisseling: Microbiology - The birth of cooperation. *Science*, 2015: p.29

Under Review in European Management Review

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[11] The style, form and citation form are in accordance with the journals guidelines and may differ from the rest of the dissertation.

1. Introduction

Over forty years after its publication, Jensen and Meckling's (1976) paper 'Theory of the firm: Managerial behavior, agency costs and ownership structure' has been cited over 18,000 times in ScienceDirect and more than 75,000 times on Google Scholar. Principal-agent theory (PAT) has dominated recent management and corporate governance research (Boivie *et al.,* 2016), and its merits are widely acknowledged. Yet, there is an ongoing debate about the usefulness of PAT in academia because of its one-sided assumptions about managers' opportunistic behavior (Ghoshal, 2005) that leads to destructive and risky incentive schemes (Bebchuk and Spamann, 2010; Roberts, 2010). Detractors further argue that the theory is 'under-socialized' (Bruce, Buck and Main, 2005) and lacks cultural aspects (Brown-Johnson and Droege, 2004).

As scholars have advocated that the assumption about agents' self-interested behavior is partially misleading and unrealistic, opposing theories have emerged. Among these theories, stewardship theory (SST) by Donaldson (1990) and Donaldson and Davis (1991) is frequently seen as the most important counterpart of PAT (Velte, 2009). SST is based on psychological characteristics and argues that good stewards (agents) have higher, non-financial incentives because they are pro-organizational, trustworthy and collectivistic individuals (Davis, Schoorman and Donaldson, 1997). However, empirical evidence has supported SST only partially (Tosi *et al.,* 2003) or under certain conditions (Muth and Donaldson, 1998).

Consequently, scholars have argued that an enhanced PAT is more likely to predict accurate hypotheses than any alternative model. Such enhancements can be made by incorporating behavioral aspects (Pepper and Gore, 2015; Bosse and Phillips, 2016), thus integrating certain aspects of SST into the existing PAT. As outlined by Bruce, Buck and Main (2005) and discussed by Wiseman, Cuevas-Rodríguez and Gomez-Mejia (2012), stewardship behavior can be incorporated into PAT because it is a special case of PAT in which the incremental norms, values and ethics of the agent (then called a steward) supersede self-serving behavior.

The purpose of this paper is to examine how existing theories of agency and stewardship can be combined by utilizing behavioral characteristics. This merger may cause a mutualistic symbiosis that benefits both theories as it allows for more accurate and situational predictions of managerial behavior. The accompanying research question is:

> “Can Principal Agency Theory and Stewardship Theory be combined through behavioral characteristics and does this combination lead to a mutually-beneficial symbiosis?”

This research question is answered by reviewing articles on the behavior of agents and stewards from the domains of finance, economics, management, corporate governance and organizational research. Additional theoretical and meta-analytical empirical literature from the fields of psychology and sociology was used to account for general patterns of human behavior. The wide range of disciplines allows us to cover varied empirical findings and enables evidence-based reasoning. The results from this approach can explain some of the ambiguous findings of both PAT and SST by accounting for a range of inconsistencies.

It demonstrates how 1) goal congruency and 2) the perception of fairness can serve as possible moderators between PAT and SST. With respect to the first moderator, goal congruency, managers whose interests are aligned with the principals act as good stewards. This alignment can be achieved by stipulating psychological ownership. Psychological ownership will supersede self-serving behavior and is accompanied by stewardship attributes, but only to a certain point. Exceeding this point can result in over-identification or narcissistic organizational identification and managers will act according to PAT.

The second moderator, the perception of fairness, demonstrates how distributive and procedural fairness can benefit or harm the firm though positive and negative reciprocity. With respect to distributive fairness, performance-based compensation is, in general, beneficial because it reduces potential conflicts of interests. However, exceeding an adequate level of incentive-based payments and forcing the agent to bear the firm’s risk might be perceived as unfair and cause negative reciprocity so that

PAT-based behavior emerges. A similar logic prevails for board monitoring. Numerous studies have demonstrated that a certain level of monitoring is necessary to avoid excessive rent extraction and managerial shirking. However, the reviewed and discussed articles clearly indicate that too much monitoring hinders collaboration and decreases information flow among managers and directors.

The first contribution is grounded in the discussion and synthesis of recent advances in agency logic. The hypotheses presented are in line with PAT extensions such as behavioral agency theory (Pepper and Gore, 2015), bounded self-interest theory (Bosse and Phillips, 2016) and social theory of agency (Wiseman, Cuevas-Rodríguez and Gomez-Mejia, 2012). Our study indicates that behavioral aspects can perform a mutually-beneficial symbiosis between PAT and SST. This symbiosis leads to a set of six hypotheses that can be empirically tested by future research, the results of which can be used to establish a foundation for the behavioral model of PAT. Combining the set of theoretical advances of PAT and the insight drawn from SST, our understanding of managerial behavior and the effects of corporate governance mechanisms will be more accurate. Overall, the major contribution of this paper lies in answering the research question and demonstrating that behavioral characteristics may be the key to the evolution of two major management theories.

This symbiosis also enables the identification of situations in which the agent is likely to act as a steward or agent. Based on this knowledge, the principal can perform customized corporate governance solutions. As Davis, Schoorman and Donaldson (1997) explained, the best solution is a principal-steward combination in which both parties act according to SST, because the mutual trust and fairness will result in higher performance through intrinsic motivation while minimizing costs associated with monitoring or incentive-based compensation. However, creating stewardship-oriented firm governance for a self-serving agent will result in excessive rent extraction through managerial empire-building, shirking and the consumption of perquisites. By contrast, a principal creating an agency environment for a stewardship agent is likely to bring about anti-organizational behavior including frustration, minimal effort and, eventually, theft or fraud. Only a situational or customized corporate governance will perform the first-best solution. Thus, the second contribution of this paper is based on its ability to establish nuanced and situational based governance solutions.

The outline of the article is depicted in Figure 1. Section 2.1 introduces the foundations of PAT and its main criticism while section 2.2 introduces SST as the main counterbalance to PAT. Section 3 argues how goal congruency can moderate managerial behavior. Section 4 does the same for the perception of fairness. Finally, Section 5 discusses the results, presents avenues for further research and acknowledges the limitations of this study.

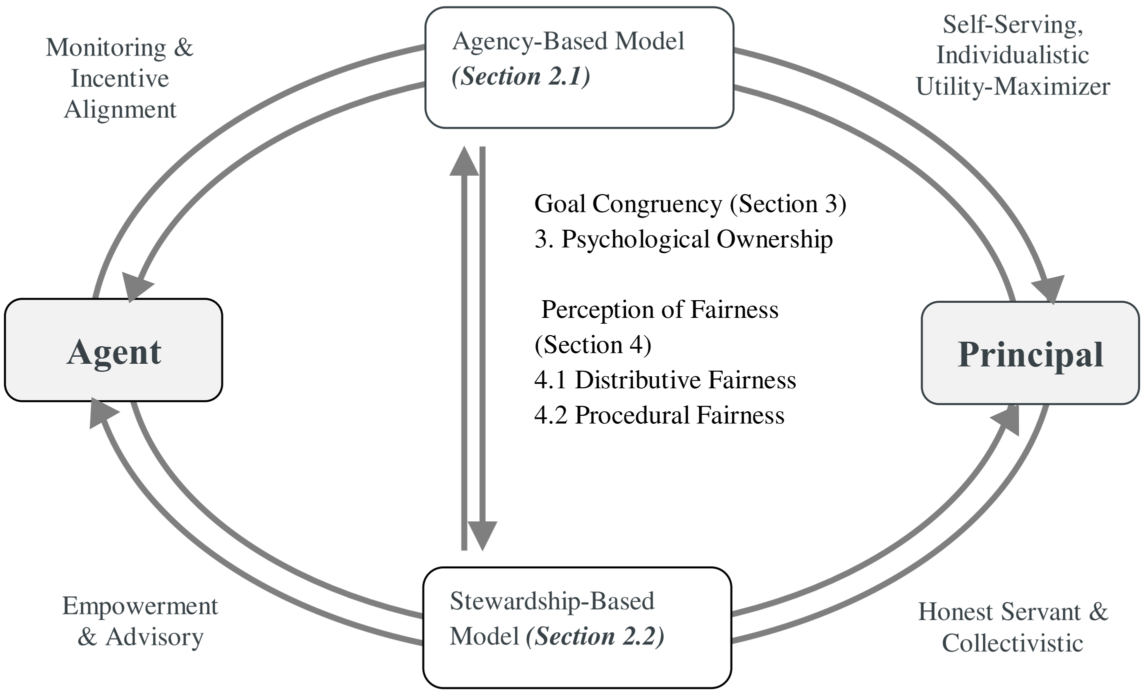


Figure 1 – Principal-Agent vs. Principal-Steward Relation

2. PAT and SST

2.1 PAT's main criticism

Originating from economic theory and the separation of ownership and control (Berle and Means, 1932), PAT predicts that self-serving managers (agents) will extract additional rents from the firm and hence their shareholders (principals) because of an information advantage (Jensen and Meckling, 1976; Fama, 1980; Fama and Jensen, 1983). This rent extraction is achieved via excessive compensation, perquisites or shirking and is possible because the agent has an information advantage over the principal. The core assumption of PAT proposes that agents are self-serving individuals who have a certain utility function, which is to be maximized (see Figure 1).

According to PAT, three main mitigations for such rent extraction or managerial shirking exist: the market for corporate control as a disciplinary instrument, an independent board of directors as a monitoring instrument and managerial equity ownership as an alignment instrument (Jensen, 1986; Shleifer and Vishny, 1997). Yet as Dalton *et al.* (2007, 1) noted, "even after some 75 years of conceptualization and empirical research, the three principal approaches that have long been proposed to mitigate the fundamental agency problem remain contentious."

Quantitative meta-analytical research has cast doubt on agency theory predictions. With respect to the board of directors as a monitoring instrument, Dalton *et al.* (1998) reported that neither board composition nor leadership structure affects overall financial performance. Results by Deutsch's (2005) support the lack of link between board composition and PAT predictions. Although Rhoades, Rechner and Sundaramurthy (2000) observed that, consistent with PAT, outside directors can improve firm performance, the examined board composition accounts for less than 1% of financial performance. This is clearly not the meaningful effect assumed by the theory's proponents.

Comparable results have been obtained by meta-analytical research on chief executive officer (CEO) duality and incentive alignment. According to PAT, the CEO should not be chair of the board of directors because this might threaten monitoring mechanisms. Rhoades, Rechner and Sundaramurthy (2001) reviewed 22 primary studies and demonstrated that separating the two roles is beneficial for the firm, but their results are statistically weak and contingent on the context of the primary papers. Similar results are achieved by the incentive alignment mechanism through equity compensation or performance-based payments. After analyzing more than 200 primary studies, Dalton *et al.* (2003) concluded that their results on managerial equity ownership lend little support to PAT predictions as they provide only a few examples of significant effects. The authors thus encouraged alternative theories and suggested that a substitution effect between incentive alignment and monitoring effects might exist. The meta-analysis by Tosi *et al.* (2000) found that less than 5% of CEO compensation is attributable to firm performance and that firm size alone explains nearly 40% of the variance in total compensation. In sum, extensive quantitative meta-analytical work has lent only partial support to agency theory's core predictions of monitoring and incentive alignment.

In line with this empirical evidence, researchers have argued that the negative model of managers as agents causes bad management practices, since teaching it from the very beginning leads students to follow precisely these practices (Ghoshal, 2005). This may lead to a 'self-fulfilling prophecy' because it supports an endless cycle of negative role models. Similar problems exist within the theoretical assumptions regarding such management practices. On the one hand, PAT's simplified assumptions enable clear and testable predictions and universal application, which is one of the theory's core strengths (Wiseman, Cuevas-Rodríguez and Gomez-Mejia, 2012). On the other hand, these simplifications cause an overly narrow focus that neglects, among other things, differences in corporate cultures, and social and behavioral aspects (Davis, Schoorman and Donaldson, 1997; Brown-Johnson and Droege, 2004; Bruce, Buck and Main, 2005).

The reductionism is most prevalent in incentive schemes, which are used to alleviate the conflict(s) of interest between the principal and the agent (Cuevas-Rodríguez, Gomez-Mejia and Wiseman, 2012). The common assumption that agents' decision making is exclusively driven by performance-based compensation misleads the incentive scheme itself. This is because the reductionism excludes a variety of behavioral aspects together with the subjective perception of both agents and principals. Therefore, some critics have argued that badly designed incentive instruments are jointly responsible for the recent financial crises (Bebchuk and Spamann, 2010; Roberts, 2010) and corporate scandals such as Enron (Kulik, 2005).

However, the narrow focus on financial rewards is not necessarily a part of PAT because the theory only assumes a utility function, which is to be optimized by the individual. The utility can be caused by monetary and non-monetary aspects, such as receiving acknowledgement by the principal or the intrinsic motivation to serve. As Heath (2015, 502) advocated, the emphasis on (external) monetary incentives instead of (internal) intrinsic incentives is, at least partially, a methodological bias, caused by scientists who were unable to quantitatively model non-financial rewards. Thus, PAT logic does not deny that utility can be gained from the satisfaction of intrinsic motives other than monetary gains. Acknowledging that intrinsic motivation can cause utility leads to a stewardship theory-based behavior.

As outlined by Bruce, Buck and Main (2005) and discussed by Wiseman, Cuevas-Rodríguez and Gomez-Mejia (2012), stewardship behavior can be incorporated into PAT because it is a special case of PAT in which the incremental norms, values and ethics of the agent (then called a steward) supersede self-serving behavior. The following section outlines SST.

2.2 SST characteristics

SST was initially proposed by Donaldson and Davis (1991) and Davis, Schoorman and Donaldson (1997) and is sometimes regarded as an opposing theory to PAT because it challenges the negative view of managers as self-serving agents (Grundei, 2008). In essence, conflicts do not occur because the manager is willing to act in accordance with the stakeholders' interests as both parties aspire to achieve the same goal, namely overall corporate well-being. Thus, "stewardship theory holds that there is no inherent, general problem of executive motivation" (Donaldson and Davis (1991, 51). Consequently, SST demands an increase in managers' power in order to maximize their effort to increase firm performance (see Figure 1). Shareholders should ensure that the CEO ultimately has complete authority over the organization, with an unchallenged role as leader (Donaldson and Davis, 1991). SST posits that managers, left to their own devices, will act as responsible stewards of the firm. Monitoring activities, which are classified as a major strategy to lower potential agency conflicts, are not necessary in SST. Major shareholders and the board of directors should therefore engage in their advisory rather than monitoring role (Sundaramurthy and Lewis, 2003).

Compared with PAT, relatively little is known about the underlying theoretical construct of SST and empirical evidence is rare (Hernandez, 2012). Among the more than 250 studies that investigated board monitoring listed by Boivie *et al.* (2016), more than 85% used PAT theory, while SST was applied in less than 5%. This is not surprising given that the majority of work uses archival data and, as Tosi *et al.* (2003) argued, intrinsic motivation can only be (indirectly) inferred.

Examples of empirical studies applying SST are frequently found within family firms or small businesses and entrepreneurship. The results highlight that family member employees have a higher commitment towards the firm (Davis, Allen and Hayes, 2010), a higher long-term orientation (Eddleston, Kellermanns and Zellweger, 2012) and perform a more stewardship-orientated culture, which enhances strategic flexibility (Zahra *et al.,* 2008). Family-owned and managed firms are found to focus more on the continuity of their business by establishing a community with their employees and sustaining long-term business relationships with other stakeholders (Miller, Le Breton-Miller and Scholnick, 2008). Founders of their own firms act as stewards through self-identification, especially in the early years of entrepreneurship (Wasserman, 2006). It seems to be a prevailing opinion that leaders of family-owned firms have longer tenure and, as a result, are more farsighted, develop better insider skills and embrace their responsibilities to the firm, including its shareholders and stakeholders (Miller and Le Breton-Miller, 2006; Le Breton-Miller and Miller, 2009).

However, an investigation by Chrisman *et al.* (2007) demonstrated that agency conflicts exist even in family firms. Schulze *et al.* (2001) highlighted that agency costs may be even higher in family firms because of the lack of governance mechanisms, such as the managerial labor market or the market for corporate control. As a result, PAT and SST theories are both used in family firm research (Madison, Holt and Kellermanns, 2016).

Thus, it can be said that each theory has its merits and its flaws. Consequently, an increasing number of scholars have argued that neither a pure monitoring nor a pure collaboration approach is fully sufficient to account for empirical findings (Sundaramurthy and Lewis, 2003). This equivocal view is also reflected by the regulatory laws of corporate governance, since, for example, boards and auditors have neither a pure monitoring nor a pure advisory role (Velte, 2009). As outlined above, managers can act either like stewards or like agents and SST can consistently be incorporated in PAT.

The decision to act as steward or agent is determined by various aspects, including characteristics of the individual and environmental circumstances. However, it is not clear which characteristics actually affect the decision-making process and why. Therefore, the next two sections analyses and propose two major factors and conditions that moderate managerial behavior towards SST or PAT. As seen in Figure 1, these moderators can help to distinguish between agents and stewards. Knowing these factors will allow us to specify PAT in a way that incorporates empirically supported aspects of stewardship behavior.

3. Goal Congruency as Moderator

Among the various assumptions of PAT, goal incongruence of both parties is the most important because there is no principal-agent conflict as long as the goals of both parties are fully aligned (Eisenhardt, 1989). In other words, even an opportunistic agent does no harm as long as the agent's goals are equal to the principal's goals (Heath, 2015). Although monitoring as well as incentive alignment will work in such a situation, it will not yield any positive results since the conflict is, at least for the time being, non-existent.

Among the various examples of temporal stewardship behavior, psychological ownership seems to be the most common (Pierce, Kostova and Dirks, 2001; Sieger, Zellweger and Aquino, 2013). Psychological ownership describes a situation in which an individual feels that a certain object (the target of ownership) is theirs, although they do not necessarily legally own it (Pierce, Kostova and Dirks, 2003). Originating from sociology and philosophy, the theory has evolved into an established concept with significant implications for management scholars (Pierce, Kostova and Dirks, 2001; Avey *et al.,* 2009). The feeling of possession or perceived ownership emerges from an individual's attitude, self-concept and sense of responsibility (Van Dyne and Pierce, 2004). Although this concept is still developing, the theoretical expectation is that psychological ownership increases performance through higher organizational-based self-esteem and higher motivation or commitment (Pierce and Rodgers, 2004).

Empirical evidence supports this hypothesis by showing that psychological ownership is positively associated with organizational commitment (Vandewalle, Van Dyne and Kostova, 1995; Van Dyne and Pierce, 2004), individuals' attitude towards the organization (Wagner, Parker and Christiansen, 2003), task performance (Rousseau and Shperling, 2003), job satisfaction (Sieger, Bernhard and Frey, 2011) and intention to stay (Avey *et al.,* 2009). Sieger, Zellweger and Aquino (2013) investigated psychological ownership in senior managers and found a positive effect on firm performance.

Besides such direct contributions, perceived ownership can also mediate the relationship between workplace environment (O'Driscoll and Coghlan, 2006), distributive justice (Ramos *et al.,* 2014) or employee stock ownership plans (Pendleton, Wilson and Wright, 1998) on the one hand and individual organizational commitment and job satisfaction on the other hand. Overall, there seems to be a consensus within the empirical literature that psychological ownership causes higher firm performance through increased intrinsic motivation and commitment.

The perception of ownership towards the firm is characterized by three concepts; organizational commitment, organizational identification and internalization (Pierce, Kostova and Dirks, 2001). Organizational identification, in particular, is a key element for positive workplace behavior and meta-analytical results from the field of psychology emphasize its contribution (Riketta, 2005). Preceding studies from the field of management indicate that organizational identification can arise on the CEO level (Lange, Boivie and Westphal, 2015) and that such identification significantly reduces agency costs (Boivie *et al.,* 2011). Other examples can be found in family firms (e.g. Miller, Le Breton-Miller and Scholnick, 2008; Le Breton-Miller and Miller, 2009) or entrepreneurship (e.g. Arthurs and Busenitz, 2003).

Overall, a wide range of studies support the assumption that, when individuals perceive psychological ownership, they may believe they are 'psychological principals' (Pierce, Kostova and Dirks, 2003, 101). Such individuals, whether employees or managers, subsequently act as good stewards for the firm insofar as the assumed incongruent goals are actually aligned and no PAT conflict exists.

> H1a: Psychological ownership can moderate agents' behavior. An agent who perceives psychological ownership of the firm behaves according to SST.

Once psychological ownership, or more precisely the organizational identification characteristics of psychological ownership, exceeds a certain threshold, disadvantages arise. At an extreme level, the individual and the organization merge so that one subsumes the other (Dettori and Giudici, 2017). This merger can either suppress the individual and a so-called 'over-identification' emerges, or the opposite occurs, so that the individual completely incorporates the organization. The latter process results in a narcissistic organizational identification where the individual sees their own identity as so central to the organization that the organization is assessed as secondary (Galvin, Lange and Ashforth, 2015). Both manifestations have significant drawbacks.

First, over-identified individuals are likely to disregard personal or moral standards and engage in acts that favor the organization, even when they violate common sense, at the expense of companies' outsiders (Ashforth and Anand, 2003). These individuals are so obedient to organizational norms that they lose their own ability to evaluate decisions independently (Umphress and Bingham, 2011). As a consequence, they are unable to recognize actions that are prohibited by usual norms of morality, which expectedly results in a link between over-identification and pro-organizational workplace crime (Vadera and Pratt, 2013).

Prior empirical studies support this hypothesis. Employees who strongly identify with the firm are more likely to commit unethical pro-organizational actions (Umphress, Bingham and Mitchell, 2010), more inclined to defend their company against accusations by outsiders, even when the claim appears valid (Ploeger and Bisel, 2013) and are more prone to workaholism that is accompanied by decreased well-being (Avanzi *et al.,* 2012).

Second, narcissistic organizational identification is a paradox observed in human behavior. On the one hand, identification with the firm can mitigate the negative externalities of CEO narcissism (Peterson, Galvin and Lange, 2012) because the individual considers the consequences for the firm before acting. On the other hand, Galvin, Lange and Ashforth (2015) argued that the combination of narcissist executives and organizational identification can result in a special case of narcissism where the manager sees the firm as an extension of him/her-self and believes that maximizing their own benefit is equivalent to maximizing the firm's benefit. The more narcissistic the individual, the more likely this is to happen.

A narcissist is usually defined as a person who has grandiose self-importance, with a preoccupation for self-centeredness, superiority towards others and a need for power and admiration (Chatterjee and Hambrick, 2007). Such characteristics are not un-common among leaders because certain elements of narcissism, including boldness, risk-taking and confidence, are also key attributes of successful managers (Galvin, Waldman and Balthazard, 2010). Meta-analytical results from the field of psychology illustrate that a mid-range level of leadership narcissism is actually beneficial (Grijalva *et al.,* 2015). However, exceeding this mid-range level can result in an executive who is willing to exploit the organization beyond the reasonable level of shirking and rent extraction which is exercised by an agent according to PAT (Peterson, Galvin and Lange, 2012).

Empirical studies confirm the downside of highly narcissistic executives. CEO narcissism is positively associated with corporate fraud (Rijsenbilt and Commandeur, 2013), tax avoidance (Olsen and Stekelberg, 2016), overinvestment in M&A and R&D (Ham, Seybert and Wang, 2017), real earnings management (Olsen, Dworkis and Young, 2014), excessive CEO compensation and higher pay-ratio gaps (O'Reilly *et al.,* 2014). Overall, a literature review conducted by Braun (2017) emphasized that there are more negative than positive consequences of leader narcissism in organizations.

> H1b: Organizational over-identification or narcissistic organizational identification crowds out the positive contribution of psychological ownership and SST-based behavior is gradually replaced by PAT-based behavior.

4. Perception of Fairness as a Moderator

Among various potential behavioral characteristics that induce steward behavior, the perception of fairness seems to be the most promising. Fairness is a well-known construct in organizational justice research. Meta-analytical results from the field of psychology clearly indicate a positive link between perceived fairness, organizational citizenship behavior, job performance and job satisfaction (Cohen-Charash and Spector, 2001; LePine, Erez and Johnson, 2002; Fassina, Jones and Uggerslev, 2008; Podsakoff *et al.,* 2009). Acknowledging fairness considerations allows the utilization of insights from more than two decades of research on organizational justice (Colquitt *et al.,* 2001). Moreover, two main mechanisms of PAT (compensation-based incentive alignment and board monitoring) can be linked directly to fairness considerations.

Fairness can be incorporated into agents' behavior by replacing self-serving agents with bounded self-interest agents (Bosse and Phillips, 2016). Bounded self-interest behavior is not only driven by self-interest but also governed by (and bound to) social norms such as fairness, justification or appropriateness (Jolls, Sunstein and Thaler, 1998). Treating an agent fairly will result in fair treatment by the agent in return (reciprocity), with increased effort and performance. As a result, agency costs decline below the anticipated level because the agent maintains a higher level of effort. By contrast, bounded self-interest agents who perceive their treatment as unfair will be willing to accept additional costs for the sake of (perceived) justice (Bosse, Phillips and Harrison, 2009).

The idea of bounded self-interest is a well-known effect in economics (Fehr and Gächter, 2000), organizational behavior (Li and Cropanzano, 2009), strategy (Fong and Tosi, 2007) and entrepreneurial research (Arthurs and Busenitz, 2003). In defining fairness, Bosse and Phillips (2016) advocated two different measurements: distributive and procedural fairness.

4.1 Distributive fairness

Distributive fairness is related to the allocation of all resources. Bounded agents perceive a compensation scheme as fair when the (monetary and non-monetary) rewards justify the investment in terms of effort and commitment while accounting for characteristics such as skill, experience and training (Bosse, Phillips and Harrison, 2009). Fairly compensated agents are expected to react with positive reciprocity by, for example, demonstrating above average effort.

Empirical investigations support this hypothesis; for instance, workers who receive salaries above the minimum threshold mirror that incentive with above-average motivation (Akerlof, 1982). The effects of distributive fairness are not limited to workers, but influence executives, too. Accommodating managers in more prestigious offices reinforces their effort and performance (Greenberg, 1988), and executives feel more satisfied and handle more work if they assess the effort-reward ratio as fair (Janssen, 2000, 2001). Compensation committees emphasize that CEO remuneration schemes are expected to be ‘balanced’ and ‘fair’ (Hermanson *et al.,* 2012, 666) because shareholders’ perception of fairness moderates shareholders’ voting dissent on these contracts (Kaplan and Zamora, 2016).

However, PAT does not necessarily lead to compensation schemes that are perceived as fair. In general, monetary rewards should include performance-based payments or equity compensation plans in order to align the interests of the agent and the principal (Fama and Jensen, 1983). Linking compensation to firm performance forces risk-averse agents to share the uncertain outcome of the firm by accepting payments that they do not fully control. Managers bind their undiversifiable human capital to the firm and may be unwilling to accept further (financial) commitment (Zajac and Westphal, 1995). Thus, although a certain level of performance-based payments may be justified and fair, an excessively high level may be perceived as unfair by the agent and trigger negative reciprocity.

Such negative reciprocity is empirically documented. Bewley (1998) showed that (negative) reciprocity exists by demonstrating that firms are reluctant to reduce wages in times of financial distress because they are afraid of long-term productivity losses, which are attributed to lower motivation. Agents who face significant performance pressure manage earnings and accounting procedures in a way that maximizes their bonus schemes rather than long-term firm value (Healy, 1985). Such managerial myopia results in inefficient allocation of corporate capital and decreases firm value (Stein, 1989); recent examples of compensation-related short-sightedness are bonus-driven stock repurchases (Young and Yang, 2011; Cheng, Harford and Zhang, 2015).

Demanding that the CEO hold high levels of equity stakes increases the likelihood of misreporting (Burns and Kedia, 2006; Zhang *et al.,* 2008; Armstrong *et al.,* 2013), can lead to repricing underwater options (Carter and Lynch, 2001; Pollock, Fischer and Wade, 2002), causes the unfavorable timing of equity grants (Lie, 2005) or even their backdating (Heron and Lie, 2007), and is, under certain circumstances, associated with securities fraud (Denis, Hanouna and Sarin, 2006).

Consequently, and with respect to these empirical findings, the outcome of the compensation schemes, more precisely their uncertain incentive-based components, can align the interests of managers and shareholders, but is not perceived as fair once it exceeds a certain threshold. Beyond this threshold, additional incentive mechanisms are not beneficial as they cause more agency losses than safe agency costs. Altogether, the perception of distributive fairness causes a convex relationship between incentive-based payments and agency costs.

> H2a: The perception of fairness moderates agents' behavior toward incentive-based payments. Incentive-based payments are beneficial and reduce agency costs, but with decreasing effects.
>
> H2b: Exceeding the optimal level of incentive-based payments increases agency costs due to the lack of distributive fairness.

4.2 Procedural fairness

Procedural fairness refers to the perceived degree to which the process (e.g., its mechanisms, rules and practices) is fair (Bosse and Phillips, 2016). Actors, including agents and principals, usually assess a process as fair when their opinions are considered, the process is conducted according to prior specification and a poor decision or an unfavorable outcome can be adjusted (Colquitt *et al.,* 2001). In organizational studies, this is also known as procedural justice (Tyler and Blader, 2003). Meta-analyses from the field of psychology conducted by Cohen-Charash and Spector (2001) and Colquitt *et al.* (2001) demonstrated that procedural justice enhances organizational commitment and trust, leading to increased job performance and less counterproductive work behavior. Trust is particularly important because it must be established through reciprocity over time and ensures cooperation, even when conflict of interest is high (Balliet and van Lange, 2013).

Increased job performance through trust and enhanced commitment is closely tied to the concept of SST because it emphasizes the positive intrinsic motivation of an agent. Managers with, for example, high organizational commitment are less likely to extract rents or shirk, even in the absence of (external) monitoring because their inherent psychological characteristics moderate their behavior. Thus, combined with reciprocity, procedural fairness enhances stewardship-based behavior. Treating an agent fairly will result in fair treatment by the agent. This mutual reciprocity can eventually establish a corporate culture of trust and empowerment (Rigdon, 2009; Pearson and Marler, 2010). Such a corporate culture together with a fair acting manager lays the foundation for managerial stewardship.

Consequently, the lack of procedural fairness can cause the opposite effect. This means that, within the given context of PAT, shareholders who rely excessively on monitoring establish a corporate culture of distrust and may cause anti-organizational behavior. The manager, in turn, will incur additional agency costs by seeking fairness through reciprocity. As a result, the firm's performance will suffer because the additional monitoring will cause higher losses than benefits. Ruiz-Verdú (2008) demonstrated analytically why monitoring by shareholders has a convex effect on firm performance empirical studies and supports this hypothesis.

Although intense monitoring fosters CEO turnover, increases sensitivity to firm performance and reduces excessive compensation, trade-offs include decreased innovation, poor acquisitions, greater managerial myopia and less strategic advice by the board (Faleye, Hoitash and Hoitash, 2011). The advisory role of the board suffers because managers are reluctant to share information with boards that are overly focused on monitoring (Adams and Ferreira, 2007). Even leading agency theorist Bengt Holmström (2005, 710) acknowledged that: “If the board becomes overly inquisitive and starts questioning everything that the management does, it will quickly be shut out of the most critical information flow”. Consequently, directors who emphasize monitoring are less engaged in their advisory role and more passive within the boardroom (Adams, 2010). Thus, company performance decreases in the presence of higher monitoring (Sieger, Zellweger and Aquino, 2013).

Empirical results are not only limited to executives but also include entrepreneurs. Entrepreneurs maintain significant financial and non-financial investments such as time and devotion (Arthurs and Busenitz, 2003). Further obstacles through monitoring are unlikely to be accepted since they are perceived as unjustified (Sapienza and Korsgaard, 1996). Thus, these mechanisms are likely to undermine intrinsic motivation and cause more harm than good through negative reciprocity. In contrast, when external funding partners offer advice and counselling to entrepreneurs, positive reciprocity occurs. Their mutual business ties deepen, and an ethical relationship based on trust rather than control is established, which in turn facilitates further business (Ehrlich *et al.,* 1994).

Although excessive monitoring can cause problems, it is well known and accepted that a reasonable amount of monitoring is essential for the firm. Prior theoretical work (Jensen and Meckling, 1976), empirical studies (Ang, Cole and Lin, 2000), and literature reviews (Gomez-Mejia, 1997) consistently emphasize that a minimum level of monitoring, either through the board of directors or directly by (large) shareholders, is inevitable. Meta-analytical results from van Essen, Otten and Carberry’s

(2014) review covering over 200 single studies confirm that stronger boards are able to negotiate favorable compensation contracts and prevent managerial rent extraction. Taken together, a certain medium level of monitoring is necessary to prevent rent extraction and, with that, higher agency costs. However, excessive monitoring is likely to cause negative reciprocity, resulting in increased agency costs.

> H3a: The perception of fairness moderates agents' behavior toward monitoring by the board of directors. Monitoring the agent is beneficial and reduces agency costs, but with decreasing effects.
>
> H3b: Exceeding the optimal level of monitoring increases agency costs due to the lack of procedural fairness.

5. Summary and discussion

5.1 Summary

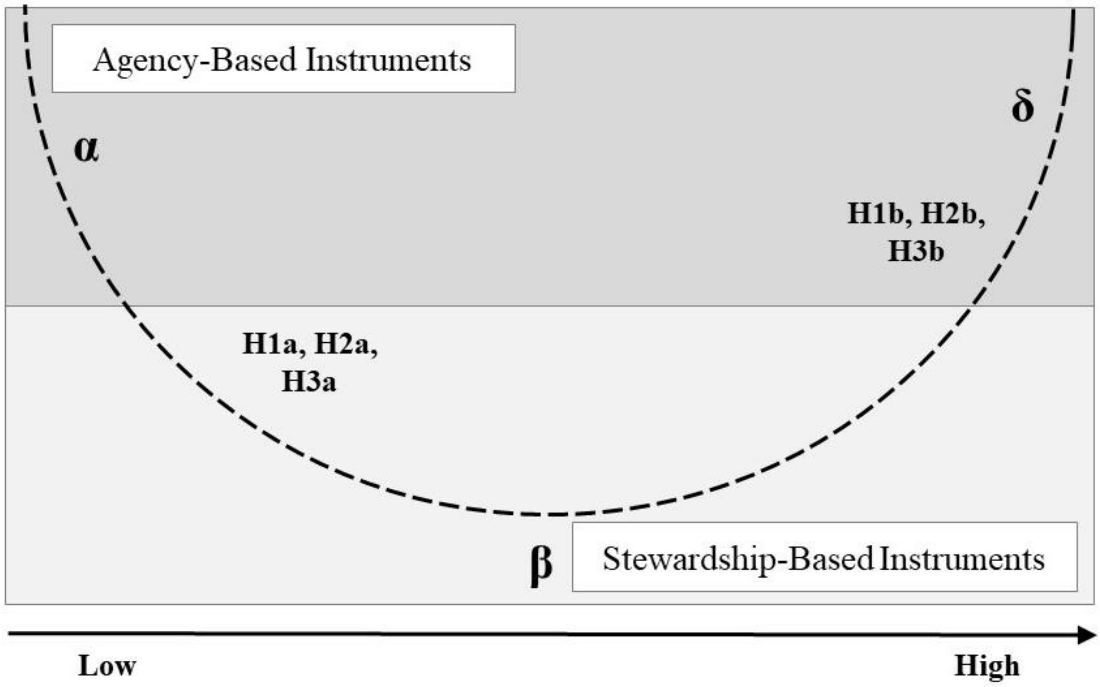
The purpose of this paper was to investigate a mutually-beneficial association between PAT and SST by incorporating behavioral characteristics. This was done by reviewing empirical literature from multiple disciplines. The results are summarized in six hypotheses, which attempt to distinguish situations where managers act as agents of or stewards for their principals. Two of these six hypotheses predict how goal congruency can stipulate SST-based behavior. It is hypothesized that psychological ownership can cause an agent to act as steward, but only to a certain point (H1a) and that exceeding this level can result in over-identification or narcissistic organizational identification (H1b).

The perception of fairness accounts for the other four hypotheses. We argued how distributive and procedural fairness can benefit or harm the firm though positive and negative reciprocity. With respect to distributive fairness, performance-based compensation is, in general, beneficial because it reduces potential conflicts of interest (H2a). However, exceeding an adequate level of incentive-based payments and forcing the agent to bear the firm's risk might be perceived as unfair and cause negative reciprocity and the emergence of PAT-based behavior (H2b).

A similar logic prevails for board monitoring. Numerous studies have demonstrated that a certain level of monitoring is necessary to avoid excessive rent extraction and managerial shirking (H3a). However, the reviewed and discussed articles clearly indicate that too much monitoring hinders collaboration and decreases information flow among managers and directors. Once again, a concave link is established (H3b).

A graphical summary is presented in Figure 2: beginning with the upper left side, *point-α* defines a position where a manager has a low level of psychological ownership, a low degree of incentive-based compensation and a low degree of board monitoring. Overall, the manager is likely to act according to PAT and will seek to extract additional rents such as excessive compensation. Encouraging psychological ownership or increasing incentive-based compensation and board monitoring to a fair level is likely to stimulate SST behavior and leads to *point-β*.

Once the fair level of incentive-based compensation and board monitoring is exceeded or the agent develops psychological patterns of over-identification and narcissistic organizational identification, the manager will turn back to agency-based behavior. This is depicted in Figure 2 as movement from *point-β* to *point-*δ.



H1a/H1b: Degree of psychological ownership, H2a/H2b: Degree of incentive-based payments H3a/H3b: Intensity of board monitoring

Figure 2 – Distinguishing between Agency-based and Stewardship-based behavior

5.2 Discussion and Testing Goal Congruency

Acknowledging and encouraging psychological ownership is important because managers with a high degree of perceived ownership significantly reduce agency costs (Boivie *et al.,* 2011). Psychological ownership can enhance external control mechanisms such as monitoring by outside directors or large shareholders through factors embedded in the managerial behavior. Thus, the board of directors and the firm's shareholders should encourage managers to develop a certain degree of psychological ownership.

However, most empirical studies have been conducted at the employee level and very little is known about the antecedents of psychological ownership at top management level (Boivie *et al.,* 2011). Although this limitation may raise doubt as to the applicability to the top management level, empirical results have confirmed organizational identification at the senior management level (Sieger, Zellweger and Aquino, 2013) and the CEO level (Lange, Boivie and Westphal, 2015) but by doing so emphasize significant research gaps. It is, for example, not clear what causes psychological ownership and how it can be sustained over time.

5.3 Discussion and Testing Perceived Fairness

The perception of fairness is divided into distributive and procedural fairness. With respect to distributive fairness, performance-based compensation is in general beneficial because it reduces potential conflicts of interests. However, exceeding a certain level will result in negative reciprocity and increased agency costs. This convex relationship is not yet fully explored, but first empirical results indicate limits of the equity-based alignment effect on firm performance (Hanlon, Rajgopal and Shevlin, 2003), return on R&D investments (Billings *et al.,* 2016) and shareholder support during Say-on-Pay votes (Collins, Marquardty and Niuz, 2017; Obermann, 2017).

A similar logic prevails for board monitoring. Numerous studies have demonstrated that a certain level of monitoring is necessary to avoid excessive rent extraction and managerial shirking (van Essen, Otten and Carberry, 2014). However, the reviewed and discussed articles clearly indicate that too much monitoring hinders collaboration and decreases information flow among managers and directors. Again, a concave link is expected.

As Hambrick (2007, 1346) noted, many relationships in management research are not linear as ‘too much of a good thing’ occurs more often than expected. Consequently, we advocate investigating potential non-linear associations between monitoring, incentive alignment and managerial effort. Examining Figure 2 indicates that the positive and negative effects will offset each other when a simple linear prediction is tested. Thus, the missing positive, significant results from prior meta-analysis of board monitoring (Dalton *et al.,* 1998; Rhoades, Rechner and Sundaramurthy, 2000, 2001; Deutsch, 2005) and incentive-alignment (Tosi *et al.,* 2000; Dalton *et al.,* 2003) might be explained by the research design.

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II. Anlage: Determinants and consequences of executive compensation-related shareholder activism and say-on-pay votes: A literature review and research agenda (Fachartikel 2)

Jörn Obermann/ Patrick Velte

Abstract[1]

This systematic literature review analyses the determinants and consequences of executive compensation-related shareholder activism and say-on-pay (SOP) votes. The review covers 71 empirical articles published between January 1995 and September 2017. The studies are reviewed within an empirical research framework that separates the reasons for shareholder activism and SOP voting dissent as input factor on the one hand and the consequences of shareholder pressure as output factor on the other. This procedure identifies the five most important groups of factors in the literature: the level and structure of executive compensation, firm characteristics, corporate governance mechanisms, shareholder structure and stakeholders. Of these, executive compensation and firm characteristics are the most frequently examined. Further examination reveals that the key assumptions of neoclassical principal agent theory for both managers and shareholders are not always consistent with recent empirical evidence. First, behavioral aspects (such as the perception of fairness) influence compensation activism and SOP votes. Second, non-financial and sustainable interests significantly moderate shareholder activism. Insofar, we recommend integrating behavioral and non-financial aspects into the existing research. The implications are analyzed, and new directions for further research are discussed by proposing 19 different research questions.

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[1] The style, form and citation form are in accordance with the journals guidelines and may differ from the rest of the dissertation.

1. Introduction

Shareholder activism related to executive compensation has become an increasingly important subject during the annual general meetings of listed companies (Brandes, Goranova, & Hall, 2008). Although the means for demanding majority proxy voting (for example, the US SEC shareholder proposal Rule 14a-8) already exists in various countries (Cziraki, Renneboog, & Szilagyi, 2010), the recent say-on-pay (SOP) legislative processes in various countries worldwide has caught the public's attention. SOP is a law that enables shareholders to vote on the appropriateness of executive compensation.

Reinforced by narrative examples of excessive compensation, the United Kingdom was the first country to adopt a mandatory SOP law in 2002 in order to strengthen shareholders' rights. Australia (2004), the Netherlands (2004), France (2005), Germany (2009) and the USA (2010) followed with the implementation of similar legislation. In 2017, the European Parliament updated the 2007/36/EC directive to incorporate minimum requirements for annual general meetings, including the implementation of a mandatory SOP on the board remuneration policy at least every four years and an annual vote on board remuneration reports. Since EU member states have two years to implement the directive, further regulatory changes on national levels are about to come. The US SEC revised Section 953(b) of the Dodd-Frank Act and introduced the 'Pay Ratio Rule'. The rule requires listed companies to disclose the ratio of the compensation of its CEO to the median compensation of its employees for each fiscal year beginning on or after January 1, 2017. Most recently, in August 2017, the UK government published its response to the 2016 Green Paper regarding corporate governance reforms. Among other issues, the reform aims to extend vesting periods for equity incentive, increase remuneration committee responsibilities and introduce a CEO-employee pay ratio disclosure.

This legislative process has inspired scholars in the field to conduct more research. The number of studies published on executive compensation (e.g., Devers, Cannella, Reilly, & Yoder, 2007 or Goergen and Renneboog, 2011), shareholder activism (Goranova & Ryan, 2014) and SOP (Stathopoulos & Voulgaris, 2015) has been increasing as activism has become more effective within the last decade (Denes, Karpoff, & McWilliams, 2017). Hence, shareholder activism in general and SOP in particular are of growing academic relevance.

This systematic literature review aimed to synthesize and discuss the determinants and consequences of shareholder activism related to executive compensation and SOP votes. We considered empirical articles that examined proxy proposals submitted by shareholders in order to vote on executive compensation together with empirical studies that conducted research on SOP. For this purpose, SOP was broadly defined as any shareholder vote regarding the approval of executive compensation or parts of it during the firms' annual general meetings. To maintain an international focus, articles were included regardless of whether the vote was obliged by law, management-sponsored or shareholder-initiated. In order to achieve academic quality, only double-blind, peer-reviewed articles published between January 1995 and September 2017 were considered. This procedure resulted in 71 articles, which were examined in detail.

The examination indicated that five different groups of factors were most relevant in recent empirical research: the level and structure of executive compensation, firm characteristics (e.g., performance, size), other corporate governance characteristics (e.g., CEO duality, board size), shareholder structure and other stakeholders (e.g., proxy advisor, media coverage). Of these factors, the level and structure of executive compensation were the most important in the reviewed empirical articles. The literature was summarized according to these factors and further separated between the reasons for compensation-related shareholder activism and SOP voting dissent as input factors and its consequences as output factors. Thirty-five of the analyzed papers (50%) examined both factors, while 22 (32%) considered only input factors and 14 (18%) considered only output factors. Overall, the review indicated that more is known about input factors, while empirical literature about output factors has not yet reached a consensus and is still developing.

Following the summary of the empirical articles, the synthesis and discussion sections describe three different areas for future research. First, we examine knowledge gaps within the dominating concept of principal agency theory and archival-based research. Among these gaps, we stress the homogeneity of sample countries, knowledge gaps in the influence of national corporate governance codes and issues in measuring and comparing shareholder pressure as well as executive compensation. We further recommend the use of more sophisticated corporate governance proxies and highlight that the influence of compensation committees and compensation consultants should be examined in the future.

In a second step, we argue why similar theoretical problems endure when it is assumed that shareholders solely seek to maximize financial value. We discuss how non-financial interests, such as sustainable aspects (social, environmental or governance issues) affect compensation-related activism and SOP. Future research should analyze non-financial firm performance, CSR incentives in executive compensation contracts and the heterogeneity of shareholders.

Finally, we demonstrate how behavioral aspects of shareholders' and agents' decision-making process can contribute to the current research. Whilst acknowledging the key achievements of agency theory and archival studies, we argue that enhanced theoretical concepts should be considered in order to gain a broader and more detailed understanding of shareholder activism related to executive compensation and SOP votes. More precisely, we discuss how individual risk preferences, different valuations of vesting periods and, most importantly, shareholders' perception of fairness (e.g., the CEO-employee pay ratio) affect compensation-related activism and SOP. Because behavioral aspects are difficult to identify in archives, we encourage scholars to apply alternative methods, such as laboratory experiments. Our structured literature review contributes to former research in several ways. First, we structure and summarize the current state of knowledge in the field. This is particularly important because more than half of the sample articles included in this study were published within the last four years.

Second, the summary and synthesis of the sample reveals several research gaps; we propose 19 research questions to address those gaps. These questions cover different areas of accounting, finance and corporate governance research and are applicable to different research methods. Hence, they should guide future research.

Third, we enhance the theoretical framework by expanding principal agency theory in a way that addresses behavioral aspects and non-financial shareholder objectives. This enhancement enables us to examine the reviewed results from a different angle and consequently allows us to draw attention to yet unobserved aspects of compensation-related shareholder activism and SOP votes. Preceding reviews have focused solely on selected SOP legally-regulated outcomes (Stathopoulos & Voulgaris, 2015) and certain shareholder types, such as institutional investors (Brav, Jiang, & Kim, 2009; Gillan & Starks, 2000; Ryan & Schneider, 2002). Moreover, these reviews have not concentrated on activism (Brandes et al., 2008) or reviewed shareholder activism as a whole without a focus on compensation-based activism (Denes et al., 2017; Goranova & Ryan, 2014). Thus, the scope and depth of prior reviews differ from those of this paper.

The paper proceeds as follows. Section 2 explains the neoclassical principal agent theory and its proposed amendments. Section 3 outlines the structure of the literature review, including sample selection, the empirical research framework and its input and output variables, and the institutional background of the reviewed literature. Section 4 (input factors) and Section 5 (output factors) present the evidence gathered from the sample in accordance with the empirical framework. Section 6 describes the limitations and inconsistencies found in the empirical studies and recommends avenues for further research.

2. Theoretical framework

2.1. Enhancing neoclassical principal agent theory with non-financial aspects

Neoclassical principal agent theory (Eisenhardt, 1989; Jensen & Meckling, 1976) is the basis of current empirical research on executive compensation and shareholder activism (Goergen & Renneboog, 2011; Gomez-Mejia, 1997). Based on the residual claim of principals' stocks and assuming homogeneous shareholders' preferences (Fama & Jensen, 1983), agency theory focuses exclusively on maximizing the financial value of the firm (Jensen & Meckling, 1976). However, shareholders do not necessarily seek financial value maximization but may use the legal power offered by their shares to follow other non-financial goals and long-term incentives. Among these non-financial goals, corporate social responsibility (CSR) is of key importance. CSR is defined as "a business organization's configuration of principles of [environmental,] social [and governance] responsibility, processes of [environmental,] social [and governance] responsiveness, and politics, programs and observable outcomes as they relate to the firm's societal relationships" (Wood, 1991, p. 693). As the reviews by Guay, Doh, and Sinclair (2004), Sjöström (2008), Goranova and Ryan (2014) and Briscoe and Gupta (2016) indicate, there is ample evidence that shareholder activism is closely linked to CSR.

Among the various ways to influence a firm, shareholder-initiated proxy proposals for non-financial goals are of increasing importance (O'Rourke, 2003). On the one hand, it is possible that non-financial activists seek improvements in financial performance through sustainability, and there is meta-analytical evidence that corporate financial performance is positively associated with environmental (Albertini, 2013) and social (Margolis, Elfenbein, & Walsh, 2009; Orlitzky, Schmidt, & Rynes, 2003) performance. On the other hand, the magnitude of these effects is relatively low and therefore it is likely that investors consider non-financial aspects as an important element in their investment decisions.

Therefore, shareholders may pursue stakeholder-related interests such as the improvement of working conditions or equalizing the gender pay-gap within the firm. This is particularly important when analyzing the patterns of shareholder activism on executive compensation because compensation is a controversial topic in both the public (e.g., Smith & Kuntz, 2013) and academic (e.g., Bebchuk & Fried, 2003, 2004) arenas. Negative media coverage, for example, influences SOP votes (Hooghiemstra, Kuang, & Qin, 2014), and shareholder activism is used to pursue the interests of firms' workforces rather than shareholder financial value (Foley, Cebula, Jun, & Boylan, 2015). As a result, it seems likely that stakeholders utilize public discussions as leverage to promote their own concerns. Taken together, the degree to which a shareholder seeks shareholder value is moderated by the level of stakeholder interests.

2.2 Enhancing neoclassical principal agent theory with behavioral aspects

As ownership is dispersed in modern corporations, the shareholders (principals) delegate the task of managing the firm to executives (agents) (Berle & Means, 1932). The agent receives a certain level of discretion to handle the task and hence gains an information advantage. This advantage often results in moral hazards and self-serving actions because the interests of both parties are not fully aligned (Harris & Bromiley, 2007). The principal uses a variety of monitoring and incentive-alignment mechanisms in order to reduce the losses caused by the self-serving agent (agency costs). Executive compensation is one of the most important incentive-alignment mechanisms as it can fill the gap between firm performance and managerial effort (Jensen & Murphy, 2010).

The alignment effect in neoclassical principal agent theory is generated either through performance-based payments or equity compensation. Agents with equity- or incentive-based compensation, such as higher pay-for-performance ratios, are expected to be more willing to pursue increased firm performance because in doing so they simultaneously increase their own rewards. Still, the expected positive outcome is rarely observed empirically because firm performance accounts for only a fraction of total CEO payments (Tosi, Werner, Katz, & Gomez-Mejia, 2000) and incentive alignment through managerial equity ownership is weak at best (Dalton, Daily, Certo, & Roengpitya, 2003). One possible explanation for the contrary indication of incentive alignment can be attributed to managers who influence the pay-setting process and use equity compensation to their advantage. A meta-analysis by van Essen, Otten, and Carberry (2014) indicates that managers can indeed capture their pay-setting process, but this is done only to a certain degree and can be stopped by (powerful) directors. Hence, entrenchment alone does not account for the missing incentive-alignment effect.

In view of these results, principal agent theory should be complemented by behavioral aspects. Based on the work of Wiseman and Gomez-Mejia (1998), Pepper and Gore (2015) developed the *behavioral agency theory* as an addition to its neoclassical predecessor. The theory was introduced to explain the effect of executive compensation, managerial decision-making and effort on firm performance. The core aspects of behavioral agency theory were developed to analyze the incentive effects of compensation schemes while acknowledging psychological characteristics, such as loss aversion (Wiseman & Gomez-Mejia, 1998) and perceived justice (Bosse & Phillips, 2016).

Behavioral agents are characterized by temporal discounting, preferences relating to uncertainty, fairness expectations and loss aversion. Loss aversion is drawn from the prospect theory (Kahneman and Tversky (1979) and clearly distinguishes between situations of loss or gain positions and incurs the perceived risk return of individuals. As a result, the further actions of managers depend on their perceived current position. Although some applications of prospect theory are still not fully developed, the theory is applied in fields such as (behavioral) finance, insurance and labor supply and can contribute to the understanding of the shareholder-manager relationship (Barberis, 2013).

The perceptions of fairness are further explained by Bosse and Phillips (2016), who argued that executives are bounded self-interested actors who assess the appropriateness of their compensation and act accordingly. Bounded self-interested behavior is not only driven by self-interest but also governed by (bound to) social norms such as fairness or justification. Treating an agent fairly will result in fair treatment by the agent in return (reciprocity) with increased effort and performance. In contrast, bounded self-interested agents who perceive their treatment as unfair will be willing to accept additional costs for the sake of (perceived) justice (Bosse, Phillips, & Harrison, 2009). This behavior also applies to shareholders who will assess the entire compensation of their agents in terms of fairness. Once shareholders perceive the compensation as unfair or unjustified, they will engage in activism and increase voting dissent. The idea of bounded self-interest is not new; it is a well-known concept in economics (Fehr & Gächter, 2000), organizational behavior (Li & Cropanzano, 2009) and strategy (Fong & Tosi, 2007). The same is true for the perception of fairness (e.g., Akerlof, 1982; Janssen, 2001).

Taken together, we expect that the behavioral agency theory, including prospect theory and elements of fairness, is suitable to describe managerial actions as a subsequent evolution of the classical agent role model. This is important for shareholder activism and SOP votes because shareholders observe managerial actions and act according to them. Therefore, we expect that incorporating behavioral elements into the theory will contribute to the current research and discussion regarding shareholder activism and SOP.

3. Data selection, institutional background and empirical framework

3.1 Data selection

We conducted a structured literature review of empirical articles that examine executive compensation-related shareholder proposal initiation and SOP votes. We define seven groups of keywords, namely, 'Say on Pay', 'Shareholder Voting', 'Remuneration Votes', 'Proxy Voting', 'Shareholder Activism', 'Compensation Activism' and 'Shareholder Compensation'. In order to maintain a clear focus on recent regulatory changes, we concentrated on publications between January 1995 and September 2017. We limited our sample to 1995 onwards because Denes et al. (2017) emphasized that research in the 1980s and early 1990s had had only marginal effects and pointed out the increasing impact of activism in later years. Moreover, SEC started consultations for a revision of its shareholder proxy proposal Rule 14a-8 in the mid-1990s, and we expected increased academic attention as a result of this regulatory change.

In a second step, and as in other related literature reviews (Goranova & Ryan, 2014), we applied the keywords to five major academic journal databases – ISI Web of Science, ScienceDirect, SAGE Journals, Emerald Insight and Wiley Online Library – as well as Google Scholar. We assessed the hit list of each keyword in every search engine and selected related articles based on their titles. Although the keywords were fairly precise, the number of potential results ranged from 3 to nearly 20,000, depending on the search engine. Hence, we included an exit mechanism and closed the hit list of each search engine after obtaining 100 titles without a match.

The relevant articles arose from two streams of academic literature with business economics (accounting and finance, corporate governance and management) and law on the other hand. In order to use reliable sources and attain academic excellence, we excluded unpublished working papers and studies that were not peer-reviewed. For the field of business economics, only articles that were published in a journal that was listed in the ABS Guide 2015 or the German VHB JOURQUAL 3 were considered.

This procedure resulted in 243 potentially relevant empirical papers. We examined the contents of their abstracts and excluded 107 articles whose topics did not fit the research question. Another 56 articles were excluded because they did not match the peer-review requirements. A further nine were dropped because they did not contain empirical research. This resulted in a final sample of 71 articles for the structured literature review. While the vast majority of the papers were archival-based (68 studies), three papers that used experimental designs were also included. An overview of the cited studies can be found in Table 1, organized by publication year, by country and by journal.

Table 1: Count of published papers cited

Panel 1: by publication year		
	Shareholder proposal initiation	SOP Votes regulated by law
	• 1996: 2 • 1999: 1 • 2000: 1 • 2001: 1 • 2002: 1 • 2005: 1 • 2006: 1 • 2007: 1 • 2008: 2 • 2009: 4 • 2010: 2 • 2011: 5 • 2012: 4 • 2013: 1 • 2015: 4 • 2016: 1 • 2017: 1	• 2010: 1 • 2011: 3 • 2012: 1 • 2013: 6 • 2014: 4 • 2015: 8 • 2016: 9 • 2017: 6
Total: 71	33	38

Panel 2: by country		
	Shareholder proposal initiation	SOP Votes regulated by law
	• Canada: 3 • France: 1 • UK: 2 • USA: 25 • Multiple countries: 2	• Australia: 5 • Germany: 3 • Italy: 1 • Netherlands: 1 • UK: 7 • USA: 19 • Multiple countries: 2
Total: 71	33	38

Panel 3: by journal		
	Shareholder proposal initiation	SOP Votes regulated by law
	• Accounting Review: 1 • Corporate Governance: 3 • Financial Management: 1 • Journal of Accounting Research: 1 • Journal of Corporate Finance: 6 • Journal of Financial and Quantitative Analysis: 2 • Journal of Financial Economics: 6 • Journal of International Financial Management & Accounting: 1 • Journal of Management & Governance: 1 • Journal of Management: 1 • Journal of Management Studies: 1 • Managerial Finance: 1 • Research in International Business and Finance: 1 • Review of Financial Studies: 4 • The Journal of Finance: 3	• Academy of Management Journal: 1 • Accounting and Business Research: 1 • Accounting & Finance: 2 • British Journal of Management: 1 • Contemporary Accounting Research: 2 • Corporate Governance: 1 • Corporate ownership & control: 3 • Current Issues in Auditing: 1 • Economic Journal: 1 • European Accounting Review: 3 • European Business Organization Law Review: 1 • German Law Journal: 1 • Journal of Accounting & Public Policy: 2 • Journal of Accounting Research: 2 • Journal of Business Ethics: 2 • Journal of Contemporary Accounting and Economics: 4 • Journal of Corporate Finance: 2 • Journal of Financial and Quantitative Analysis: 1 • Journal of Financial Economics: 1 • Journal of Law & Economics: 1 • Journal of Management Control: 1 • Managerial Finance: 1 • Review of Finance: 2 • Review of Financial Studies: 0 • The Financial Review: 1
Total: 71	33	38

3.2 Institutional background and empirical framework

The reviewed sample showed a high heterogeneity of empirical papers as a result of the evolution of regulations and laws over the last three decades. Before SOP laws were introduced, shareholders had to rely on proxy proposal submission. According to Rule 14a-8 of the US Securities Exchange Act, 1934, any investor who holds shares worth at least $2,000 or 1% of the firm's equity market value for at least one year can submit a 500-word proposal for the proxy statement at the annual general meeting. Proposals must be submitted no later than 120 days prior to the meeting and are forwarded by the company to shareholders, who then vote on the particular issue (Ferri & Sandino, 2009). Comparable laws exist in other countries such as the United Kingdom, Germany, France, Portugal and the Netherlands, and in continental Europe the results are often binding for the firm (Cziraki et al., 2010).

Besides shareholder-initiated proposals, various regulations demand the involvement of stock holders. For example, the SEC Release No. 34-48108 of June, 2003 obliged firms listed on the NYSE or NASDAQ to obtain ex-ante shareholder approval for all new or materially amended equity compensation plans. Before 2003, only plans that did not meet certain criteria were subject to a shareholder vote, and even then several regulations allowed the vote to be bypassed (Ng, Sibilkov, Wang, & Zaiats, 2011). In 2001, the Canadian Business Corporation Act changed submission praxis, which reduced the costs for proxy initiatives and made the instrument more commonplace (Bates & Hennessy, 2010).

The UK was the first country to grant shareholders a mandatory and non-binding SOP under the Directors' Remuneration Report Regulations of 2002. Australia's Corporate Law Economic Reform Program Act followed in 2004 (Clarkson, Walker, & Nicholls, 2011). The USA issued the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, allowing shareholders to vote at least once every three years (Ferri & Maber, 2013). The European Parliament revised its directive 2007/36/EC on shareholder rights in 2017. The updated directive calls for the inclusion of an SOP on the remuneration policy at least every four years or after significant changes are made. Additionally, an annual SOP on the firms' remuneration report is required every year. Whether the vote is binding or non-binding depends on national discretion. A summary of current SOP laws is given in Table 2.

Several countries worldwide have adopted SOP rules. Prior papers (e.g., Ferrarini, Moloney, and Cristina, (2010); Lieder and Fischer, (2011); Thomas and Van der Elst, (2013, 2015); Stathopoulos and Voulgaris, (2015) reviewed the implementation of SOP rules and discussed the differences among them. Although all laws aim to support shareholders on the issue of executive compensation, national implementation varies significantly. An SOP vote can be mandatory or voluntary, binding or non-binding, ex-ante or ex-post and concern different contents such as the entire remuneration, specific elements of compensation or the long-term compensation policy. Within a mandatory regime, firms are obliged to hold an SOP vote during their annual general meeting. Although most countries demand a vote annually (e.g., the UK and Australia), others (such as the USA) allow for bi- or triennial intervals or let the management decide whether to sponsor or vote or not (e.g., Germany and Canada). In countries with binding SOP laws (e.g., Switzerland), firms are required to follow the decision of the majority of shareholders, while non-binding regimes allow the management to ignore the outcome of the vote. The laws also differ with respect to the timing: some countries allow shareholders to approve future remuneration schemes (ex-ante) such as the Netherlands, while others assess past payouts (ex-post).

Table 2: Current state and recent development of SOP legislation (selected countries)

Country	SOP Regime	Underlying Law / Initiative / Year
Australia	Annual mandatory and non-binding ex-post vote on the remuneration report	Section 250R of the CLERP (Audit Reform & Disclosure) Act, 2004
	Two-Strike rule: boards that receive more than 25% voting dissent for two consecutive years will face a re-election vote if the majority of shareholders demand	Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act, 2011
Canada	Voluntary and management-sponsored, non-binding SOP vote	Ontario Securities Commission Staff Notice 54-701 : «Regulatory Developments Regarding Shareholder Democracy Issues», 2011
	Threshold for proxy proposal submission lowered from 5% to 3% of the company shares and introduction of a binding SOP as proxy item (implementation pending)	Bill 101 "An Act to amend the Business Corporations Act with respect to meetings of shareholders, the election of directors and the adoption of an executive compensation policy" was proposed in March 2017, the decision is pending
France	Binding and mandatory ex-ante SOP on executive compensation policy from 2017	Sapin 2 Law, 2016
	Binding ex-post SOP on variable and exceptional remuneration amounts from 2018	Sapin 2 Law, 2016
Germany	Voluntary and management sponsored, non-binding, ex-post vote on the executive board remuneration.	Act on the Appropriateness of Management Board Compensation 2009
Italy	Non-binding, mandatory SOP for remuneration policy for all listed companies	Article 123-ter, Subsection. 6 of the Legislative Decree N. 58/1998 and Legislative Decree N. 259, 2010
	Binding, mandatory SOP for remuneration policy of financial institutes (banks and insurance companies	IVASS (formally known as ISVAP) prudential regulators

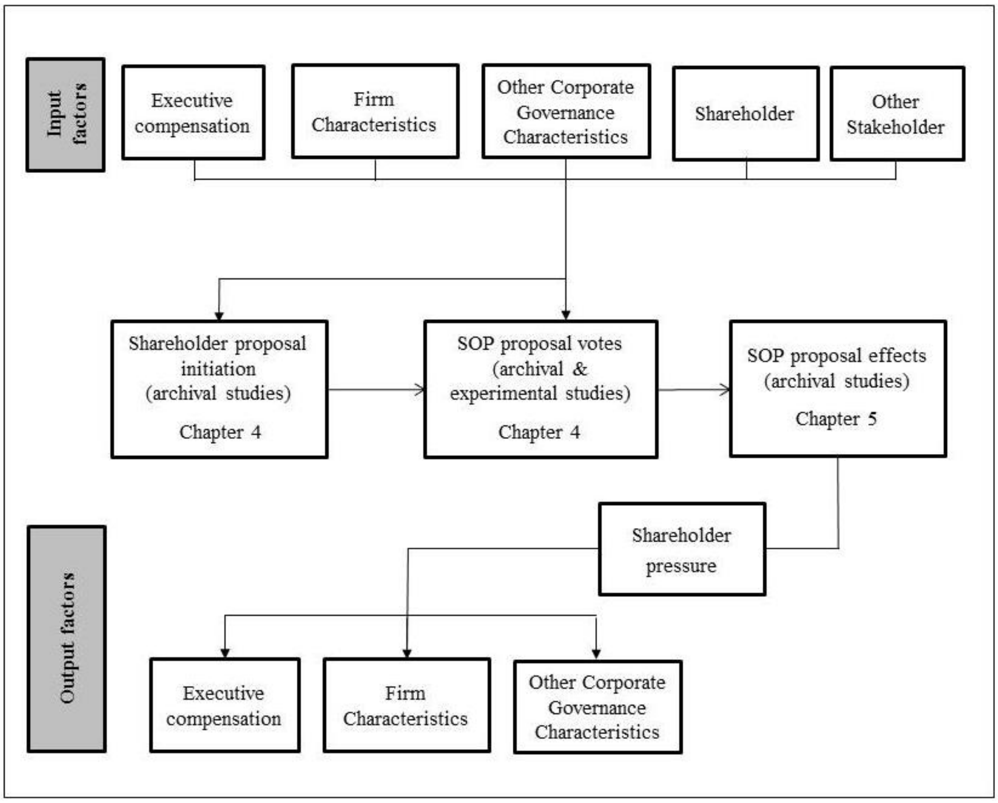
Country	SOP Regime	Underlying Law / Initiative / Year
Netherlands	Mandatory, ex-ante, binding SOP on the remuneration policy and amendments of the policy	Amend of the Dutch Civil Code, Article 2:135(1) From 2004 and enactment of Principle II.2 of of Article 2:391(5) of the Dutch Code 2003
Norway	Mandatory, non-binding votes on the executive compensation policy	Norwegian Public Limited Liability Companies Act (§5- 6, 6-16a)
	Mandatory, binding votes on equity compensation schemes	Article 5.6(3) of the Companies Act
Switzerland	Binding and mandatory forward-looking vote on executive compensation policy from 2017	Ordinance against Excessive Compensation with respect to Listed Stock Corporations 2014
UK	Financial year ending before 30. September 2013: mandatory, non-binding, ex-post, annual SOP	Section 420 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013
	Financial year ending after 30. September 2013: 1) Mandatory, annual, ex-post, non-binding SOP on the DRR and 2) Binding, ex-ante SOP on the DRR policy at least once every three years	Large and Medium-sized Companies and Groups (Accounts and Reports) Amendment Regulations 2013/198 & Enterprise and Regulatory Reform Act 2013)
USA	Mandatory, non-binding SOP on executive compensation	Dodd–Frank Wall Street Reform and Consumer Protection Act under §951 2010
	At least every six years an additional, non-binding vote on the frequency of SOP, which can be annual, biannual or triennial	Dodd–Frank Wall Street Reform and Consumer Protection Act under §951 2010
Supranational	**SOP Regime**	**Underlying Law / Year**
EU	Member states ensure a mandatory, ex-ante SOP on compensation policy at least every four years or once significant changes in remuneration policy are made. It is at member state discretion to implement a binding or non-binding vote. Member states ensure an annual, mandatory, ex-post and non-binding SOP on the DRR	EU directive 2017/828, amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, 2017 Member states ensure implementation within two years

This regulatory development is also reflected in our sample of 71 empirical articles. The articles are summarized in detail in Table 3 (Appendix). Panel A includes only papers that deal with proxy votes initiated by shareholders. These proxy votes usually took place before a national SOP law was introduced and concerned different compensation-related issues. Some of these articles examine compensation-related proxy proposals together with other topics. They were considered suitable for the sample as long as the results of compensation-related activism were clearly distinguishable from other proxy items. In contrast to shareholder initiated votes, Panel B contains studies of SOP in which the vote was either mandatory by law or the management was allowed to sponsor an SOP.

Examining the process of compensation-related activism reveals that it is initially triggered by shareholders. The firms' shareholders can submit a proxy proposal or, when SOP is mandatory by law, immediately vote on the SOP during the annual general meeting. Executives can, in turn, decide whether to ignore or to react to proxy submissions and voting dissent. The review of the sample articles is consequently structured around this process. More precisely, Section 4 discusses five frequent determinants found within the literature that lead shareholders to submit proxy proposals and that influence shareholders' voting patterns: executive compensation, firm characteristics, other corporate governance characteristics, shareholder structure and other stakeholders' interests. We analyze the level and structure of executive compensation as the most important factor, followed by firm characteristics because target firms have common features and corporate governance characteristics that are not part of executive compensation. Finally, factors connected to the objectives, influence or demands of the shareholding stakeholder and other stakeholders are examined. These five topics are labeled as input factors because they represent firm or shareholder characteristics that trigger compensation-related activism or SOP voting dissent, which then demands a reaction by the management. Figure 1 depicts these five factors. Sections 4.1 to 4.5 review each input factor individually and in detail.

Section 5 proceeds by examining managerial reactions to shareholder dissent. These actions can affect three different areas: executive compensation, firm characteristics and other corporate governance characteristics. Figure 1 describes them as output factors because they are the results of shareholder activism on executive compensation and SOP votes.

Figure 1: Research framework



4. Input factors of executive compensation-related shareholder proposal initiation and SOP proposal votes

4.1 Executive compensation

Executive remuneration is one of the most important drivers of shareholder activism. The studies in the reviewed sample examine the total or excessive level of compensation, the structure of remuneration and the specific pay-performance-sensitivity (PPS) ratios. Despite this extensive work, no consensus for the measurements of executive compensation has yet been established. The absolute remuneration (e.g., Kimbro & Xu, 2015), its natural logarithm (e.g., Gregory-Smith, Thompson, & Wright, 2014), and firm size-adjusted compensation (e.g., Morgan, Poulsen, & Wolf, 2006), which sometimes includes executives' equity holdings or severance payments (e.g., Ertimur, Ferri, & Muslu, 2011), have all been applied. Contrarily, excessive compensation is usually defined by the residuals of a linear regression on management compensation (e.g., Alissa, 2014). Higher positive residuals indicate compensation elements that cannot be explained by economic factors and, hence, are seen as abnormal. Consequently, higher overall compensation increases proposal submission in the USA, but this seems to be the case regardless of whether the level is economically justified (Ertimur et al., 2011) or whether the payments are incentive-based (Burns & Minnick, 2013). Contrary to these US-based samples, Arfa, Karmani, and Labaronne (2017) failed to find any evidence that hedge funds target firms with unfavorably paid CEOs with governance proposals in France.

Total compensation is also the most important reason for proxy *vote dissent*. There is ample evidence that high total or excessive compensation attracts negative voting reactions in the USA (Armstrong, Gow, & Larcker, 2013; Balsam, Boone, Liu, & Yin, 2016; Cai & Walkling, 2011; Ertimur, Ferri, & Oesch, 2013) and the UK (Conyon & Sadler, 2010; Gregory-Smith et al., 2014; Hooghiemstra, Kuang, & Qin, 2017), especially when the compensation is abnormally high (Alissa, 2014). Within the Australian capital market, Kent, Kercher, and Routledge (2016) reported increased dissent in times of higher payments. However, Grosse, Kean, Scott, and Smith (2017) could not establish such a link. When assessing the annual compensation, shareholders use the granted amount rather than the payouts (Kimbro & Xu, 2015). This is important because equity payments have vesting periods, and contingency payments can be subject to deferrals.

As well as the granted level of compensation, its structure matters. Executive compensation is usually structured in fixed-cash salary, incentive-based payments (variable compensation) and other compensation, such as severance agreements. Salary is able to reduce dissent because it is associated with lower overall payments (Balsam et al., 2016), while severance agreements (Ferri & Maber, 2013; Hooghiemstra et al., 2017), short-term bonuses (Van der Elst & Lafarre, 2017) or other incentive-based payments (De Falco, Cucari, & Sorrentino, 2016) are frequently opposed by shareholders. Within the other incentive-based payments class, disagreement is currently focused on equity compensation. Unrestricted stocks or stock options increase voting dissent (Alissa, 2014; Conyon & Sadler, 2010), but restricted equity compensation does not trigger shareholder rejection (Kimbro & Xu, 2015). Restricting these payments is usually done by offering phantom stocks or stock appreciation rights with certain limits as well as reasonable vesting periods.

Equity compensation raises further concerns due to the level of dilution (loss of voting power), which is linked to the value of the issued stocks or stock options (loss of money). Dilution is usually measured as the sum of shares and options requested plus the sum of shares and options already available in current plans, divided by the total number of outstanding shares (Armstrong et al., 2013). The more dilutive a remuneration scheme is, the lower its support (Bethel & Gillan, 2002; Morgan et al., 2006; Morgan & Poulsen, 2001). Besides dilution, retesting provisions for stock options causes low approval rates (Ferri & Maber, 2013; Hooghiemstra et al., 2014). Retesting provisions enable the board to reassess performance targets in consecutive periods if they are not met during the initial measurement period. This amendment allows boards to shift otherwise expired options into a subsequent period. Opponents point out that such practices have the potential to reward failure.

Considering the overall compensation structure rather than individual parts, PPS is an important issue for investors. PPS proposals are used by shareholders when CEOs are excessively paid (Fortin, Subramaniam, Wang, & Zhang, 2014) or managers use their power in order to manage discretionary accruals in their favor (Sun, Wang, Wang, & Zhang, 2013). Low PPS values increase SOP voting dissent (Cai & Walkling, 2011), and intense shareholder oversight strengthens the PPS (Clarkson et al., 2011; Monem & Ng, 2013). However, certain investors, such as labor unions, seem to have little ability or ambition to challenge firms with inefficient compensation contracts. They target companies with high PPS and ignore those with higher abnormal CEO compensation (Cai & Walkling, 2011).

4.2 Firm characteristics

Among firm characteristics, company size and performance are the most important. Shareholders usually target large firms, regardless of the efficiency of their contracts (Bethel & Gillan, 2002; Burns & Minnick, 2013; Del Guercio, Seers, & Woidtke, 2008) rather than smaller ones with inefficient remuneration contracts (Cai & Walkling, 2011). When a vote is executed, large firms tend to have higher voting dissent (Ertimur, Ferri, & Stubben, 2010; Hooghiemstra et al., 2017; Kent et al., 2016) and more abstentions (Stathopoulos & Voulgaris, 2016) than smaller firms even though some studies report contradictory associations (Balsam et al., 2016). On the one hand, larger firms can hire proxy solicitors prior to the annual general meeting in order to reduce their voting dissent (Bethel & Gillan, 2002) and they also benefit from higher market liquidity in mandatory SOP votes. The market liquidity enables shareholders, in times of disagreement, to sell their shares without a loss, making activism less pressing. On the other hand, agency costs tend to be higher in large firms due to dispersed ownership. This effect is a result of the difficulties in forming a coalition among the stockholders in companies with dispersed ownership structures (Renneboog & Szilagyi, 2011). When managers sponsor a voluntary SOP (Eulerich, Kalinichenko, & Theis, 2014) or grant shareholders' approval of equity compensation plans (Balachandran, Joos, & Weber, 2012), firm size increases the likelihood of an SOP. Regardless of the firm size, executives are less likely to sponsor a consecutive vote when prior dissent was high unless material amendments to the remuneration scheme were made (Vesper-Gräske, 2013).

Performance is also an important factor in shareholder activism and voting dissent. Activist investors also focus on poorly performing companies (Ng et al., 2011; Ong, Petrova, & Andrew, 2010; Renneboog & Szilagyi, 2011) with low growth opportunities (Burns & Minnick, 2013; Grosse et al., 2017) even when their peers do not outperform the target firm (Wahal, 1996) and regardless of whether performance is measured by market or operational indicators (Ertimur et al., 2011). Standalone, poor performance (Alissa, 2014; Balsam et al., 2016; Gillan & Starks, 2000) or higher return volatility (Kimbro & Xu, 2015) is sufficient to increase investors' voting disagreement. This is also true for non-financial performance. Firms with poor CSR performance receive fewer favorable SOP votes from their shareholders as (Cullinan, Mahoney, & Roush, 2017) observed. The paper is the only one within the sample that considered non-financial performance and it clearly indicates the importance of CSR to shareholders.

As well as the separation between financial and non-financial performance, shareholders distinguish between different kinds of financial performance. Kaplan and Zamora (2016) demonstrate that even non-professional investors distinguish firm performance between income from their key operational business and income generated through nonrecurring gains. Investors increase voting dissent when the firms' income is nonrecurring, especially when executives try to meet earnings benchmarks with such gains. In their experiment, the relationship between these two income attributes and SOP votes was fully mediated by investors' perception of compensation fairness. The authors argue that shareholders will perceive the CEO compensation as less justified or unfair when the executive is unable to meet earnings benchmarks or needs nonrecurring gains to do so. This result emphasizes the need to consider behavioral aspects when analyzing shareholders' voting patterns.

Krause, Whitler, and Semadeni (2014) also examine behavioral aspects of voting patterns and attribute increased voting dissent in times of poor performance to the loss aversion of investors. That is, investors are less concerned, perhaps even generous, in times of high performance and are particularly strict when facing a loss position. By incorporating Kahneman and Tversky's (1979) prospect theory into SOP votes, their results indicate that shareholders assess gains and losses asymmetrically. Both Kaplan and Zamora (2016), as well as Krause et al. (2014), use laboratory experiments to analyze shareholders' perceptions. Notably, their papers suggest that behavioral aspects are of importance in SOP votes.

Finally, governance proposals are positively associated with firm age (Bates & Hennessy, 2010), and higher leverage ratios increase the probability of being affected by proxy proposals (Ferri & Sandino, 2009; Karpoff, Malatesta, & Walkling, 1996) because shareholders may be more willing to intervene when insolvency risk increases. Subsequently, high leverage ratios (Grosse et al., 2017), higher return volatility (Clarkson et al., 2011) or low current ratios (De Falco et al., 2016) not only trigger shareholder activism but also raise voting dissent.

4.3 Other corporate governance characteristics

In addition to executive compensation, which is part of a firm's governance system, other internal and external corporate governance characteristics matter. Shareholders are able to identify firms with weak internal governance and subsequently target those with a low Governance Index (Morgan, Poulsen, Wolf, & Yang, 2011), fewer outside or independent directors (Bates & Hennessy, 2010), inefficient boards or CEO duality[1] (Cai & Walkling, 2011; Renneboog & Szilagyi, 2011). The Governance Index is calculated in accordance with Gompers, Ishii, and Metrick (2003) and contains 24 different firm-specific provisions such as takeover defenses, shareholder rights and severance agreements for senior executives. These characteristics are associated with an increased likelihood of receiving a proxy proposal.

[1] CEO duality is used for situations when the CEO is also the chairman of the board of directors.

The voting dissent following a proposal submission is associated with lower internal governance, such as fewer outside directors (Cai & Walkling, 2011) and independent boards (Sauerwald, van Oosterhout, & van Essen, 2016), lower transparency (Van der Elst & Lafarre, 2017), weaker internal controls (Bordere, Ciccotello, & Grant, 2014), higher earnings management (Kimbro & Xu, 2015), a negative tone in the compensation disclosure and analysis of the annual financial statements (Balsam et al., 2016), longer CEO tenure (Armstrong et al., 2013) and smaller boards (Renneboog & Szilagyi, 2011). Smaller boards are expected to have less monitoring capability, while longer executive tenure is assumed to be positively associated with managerial entrenchment. Firms obfuscate excessive payments by publishing less readable remuneration reports and subsequently receive fewer negative votes unless the percentage of shares held by institutional investors is high (Hooghiemstra et al., 2017). These institutional investors are more sophisticated and significantly increase voting dissent once they detect obfuscation of excessive payments. Discretionary accruals particularly concern shareholders when they are used to meet earning benchmarks (Sun et al., 2013). Entrenched boards with dual CEOs and more inside directors try to avoid shareholder scrutiny (Balachandran et al., 2012) and sometimes change the compensation structure in order to bypass an otherwise mandatory poll (Ng et al., 2011). Even then, firms with entrenched managers receive significantly fewer SOP proposals (Burns & Minnick, 2013; Ertimur et al., 2011; Fortin et al., 2014). The level of managerial entrenchment is determined either through the Entrenchment Index developed by Bebchuk, Cohen, and Ferrell (2009) or the characteristics of CEO power, such as CEO duality (e.g., Chowdhury & Wang, 2009; Ertimur et al., 2011). The Entrenchment Index is similar to the Governance Index and based on six corporate governance provisions regarding, among other things, limits on shareholder supervision by company bylaws and restrictions on charter amendments or mergers. With respect to the remuneration disclosures, the specific PPS measures selected affect voting dissent. Additional disclosures decrease voting dissent, especially when firms explain their selection of peer companies for benchmarking executive compensation (Hadley, 2017).

With respect to external governance more specifically, ownership structure/inside ownership (Karpoff et al., 1996) and block holdings (Bethel & Gillan, 2002) decrease the probability of being targeted, especially in cases where shares are held by the CEO (Renneboog & Szilagyi, 2011), while firm executives are more likely to grant a voluntary SOP proposal when ownership is dispersed (Eulerich et al., 2014). If the ownership structure is concentrated (Conyon & Sadler, 2010; De Falco et al., 2016), consists of insiders (Ertimur et al., 2013) or is represented by long-term investors (Stathopoulos & Voulgaris, 2016), SOP dissent tends to decrease due to higher monitoring capabilities, behind-the-scenes negotiations and long-lasting alliances between block holders. Similarly, higher equity holdings by board members (Hooghiemstra et al., 2014) or managers (Morgan et al., 2006) tend to decrease negative votes although Kimbro and Xu (2015) found increasing dissent in firms with higher CEO ownership.

4.4 Shareholders

In line with the theoretical advances, shareholders can pursue both financial value and other stakeholder-related objectives, such as CSR performance. The reviewed literature usually separates both groups into institutional investors on the one hand and other activists, such as labor unions, environmental groups or religious groups, on the other hand (e.g., Ertimur et al., 2011). Institutional investors have a fiduciary duty towards the beneficiary owners of the shares and therefore must generally vote in line with shareholder financial value (Larcker, McCall, & Ormazabal, 2015). This investor group is important because the overall number of shares owned by institutional investors constantly rises (Chowdhury & Wang, 2009). Higher institutional ownership at the firm level is positively correlated with increasing proxy proposal submission (Karpoff et al., 1996; Morgan & Poulsen, 2001) unless the compensation proposals concern all employees rather than top executives only (Ferri & Sandino, 2009). Institutional investors with a good reputation or superior capability to file potential wealth-increasing proposals receive higher voting support from other shareholders (Del Guercio & Hawkins, 1999).

Institutional investors' efforts to monitor the firm and engage in activism are predominantly moderated by their investment strategy. For example, indexed funds and other diversified stockholders are likely to target large public companies instead of smaller ones in order to send a signal to the market (Del Guercio & Hawkins, 1999). These investors assume that their targets' peer companies will notice such engagements and hope for 'spillover' effects. Evidently, majority governance-related proposals from shareholders are more likely to be accepted when peer companies have already implemented them (Ertimur et al., 2010). Similar spillover effects on the industry level are measured when firms are targeted with proposals that demand a change in compensation disclosure (Ferri & Sandino, 2009). This is of particular interest to well-diversified stockholders, such as index funds, who cannot exit due to their investment strategy and so try to keep costs low by signaling (Del Guercio & Hawkins, 1999). Unlike diversified institutional investors, hedge funds select single firms with potential agency or governance problems (such as the distribution of free cash flow or inefficient executive compensation) in order to improve shareholder value by reducing agency conflicts (Brav, Jiang, Partnoy, & Thomas, 2008). Mutual funds actively screen other shareholders' proposals and vote according to their own objectives (Morgan et al., 2011). Mutual or pension funds increase voting dissent when they hold only a small fraction of the company shares because SOP votes are an efficient way to signal concern without significant engagement (Belcredi, Bozzi, Ciavarella, & Novembre, 2017). Regardless, these institutional non-block holders reduce their voting dissent in the presence of concentrated ownership, as they rely on the monitoring role of other block holders.

Contrary to most institutional investors, other activists are more concerned with stakeholder demands. Labor unions, for example, are more likely to object in firms with a higher representation of their workforce rather than on specific company-related issues (Foley et al., 2015). Therefore, union-sponsored proposals receive less voting support from their fellow shareholders (Cai & Walkling, 2011). Similarly, religious or environmental groups, as well as individuals, receive less support for proxy polls than do institutional investors or coordinated groups (Gillan & Starks, 2000; Thomas & Cotter, 2007). Even beneficial representatives of private investors are perceived as more (financial) shareholder value-oriented than individuals or religious groups (Yang, Zengxiang Wang, & An, 2012). Consequently, certain groups are perceived as less concerned with firms' financial value and pursue other (stakeholder) interests (Thomas & Cotter, 2007) and investors may fear the loss of financial firm value (Iliev, Lins, Miller, & Roth, 2015). These various patterns indicate no uniform rule for submitting or supporting shareholder proxies. Even among the same institutional fund families, voting differs in one in ten cases (Morgan et al., 2011).

There are various reasons for such dissimilar voting characteristics. Funds vote in line with the firms' management recommendations in order to preserve or establish business ties (Ashraf, Jayaraman, & Ryan, 2012) or because they share mutual social ties, such as the same educational network (Butler & Gurun, 2012). Shareholders' perceptions of social ties within the firm evidently matter, as demonstrated by an experiment conducted by Kaplan, Samuels, and Cohen (2015). Stronger ties between the management and the executive compensation committee mean that stockholders doubt the objectivity of the pay-setting process. Accompanied by the CEO's reputation, the perception of fairness fully moderates participants' judgments on SOP. With respect to CEO reputation, shareholders distrust firms' disclosure when the CEO's reputation is low and consequently increase SOP voting dissent. These results indicate that investors not only assess the actual range of compensation but also the fairness of the compensation process/strategy and the expected quality of disclosure.

4.5 Other stakeholders

Shareholders' voting decisions are further influenced by other stakeholders. Among these stakeholders, firm insiders (such as the management), outsiders (such as the proxy advisor), and the public are important (Hooghiemstra et al., 2014; Larcker et al., 2015). Managers influence shareholders directly by issuing voting recommendations or indirectly by classifying the proxy proposal. When managers announce voting recommendations for submitted proxy proposals, their own credibility and reputation enable them to influence the investors (Kaplan et al., 2015). Given that management recommendations for shareholder-initiated proxy votes are negative in nearly 99% of cases (Cuñat, Giné, & Guadalupe, 2016), this reduces overall support for shareholder-initiated proposals by a significant amount (Yang et al., 2012). While large block holders tend to ally with the management, institutional investors oppose the management when they perceive the vote as value-increasing (Bethel & Gillan, 2002; Morgan et al., 2006). Managers propose a frequency for SOP votes when they are not required annually, and managers' advice accounts for up to 26% more support for a specific tenure (Ferri & Oesch, 2016).

Besides the direct way of making recommendations, managers use their discretionary power to announce increased earnings prior to an annual general meeting (Dimitrov & Jain, 2011) and to structure proposals in such a way that they are classified as 'routine' instead of 'non-routine' (Bethel & Gillan, 2002). This classification procedure helps managers gather support from shares held in 'street name' when beneficial owners fail to issue instructions.[2] Moreover, broker votes not only reduce the dissent for the proposal itself but also increase the compensation committee's support, which results in higher executive compensation (Cai, Garner, & Walking, 2009).

Proxy advisor recommendations are especially negative when high executive compensation is paired with low firm performance (Ertimur et al., 2013). The effect of proxy advisors on voting mechanisms, including SOP, is important for the voting outcome. The combination of increasing institutional ownership, the free rider problem of voting and the fiduciary duty of such investors leads to use of the low-cost strategy of following the proxy advisor guidelines (Larcker et al., 2015). Evidently, the introduction of mandatory SOP laws increased the number of overall votes and emphasized the pressure associated with this issue. Voting advisor recommendations can explain up to three-quarters of the estimated voting results (Larcker et al., 2015), but this does not mean that all shareholders blindly follow such recommendations (Ertimur et al., 2013). As Morgan et al. (2011) point out, such investors actively screen other shareholder-initiated proposals in order to estimate their potential bene-

[2] Shares in 'street name' are held under the name of the broker firm instead of the individual or company that bought the securities.

fit. Still, the influence of proxy advisors can yield negative, unintended consequences when hitherto efficient compensation contracts are changed purely to comply with the proxy advisor guidelines to obtain higher institutional support (Larcker et al., 2015).

The influence of proxy advisors goes beyond direct recommendations. Negative press coverage of CEO compensation is associated with increased shareholder dissent, especially when a proxy advisor is cited in a critical article (Hooghiemstra et al., 2014). This is not surprising given the reach of modern-day media, but it demonstrates that such advisory firms' opinions may influence a broader set of shareholders than only institutional investors. Generally, the effect of media coverage is stronger for the financial business press than for the general press, indicating that shareholders perceive the specialized financial press to be higher in information quality. Because causality is difficult to establish, it is not clear whether the financial press actively influences shareholders' decisions or whether the articles only correctly reflect an existing prevailing opinion.

5. SOP proposal effects

5.1 Shareholder pressure

As SOP votes are not always binding, opponents argue that executives could ignore low dissent votes and that the overall high level of support for SOP votes encourages managers to increase their pay packages (Gregory-Smith et al., 2014). Still, SOP voting dissent is a 'simple, highly visible metric' (Cuñat et al., 2015, p. 2) that is easily observable and can result in public outrage once it is high enough to attract significant attention. The reviewed literature confirms that a certain threshold must be met before managers consider substantial changes. The higher the SOP voting dissent, the more pressure is exercised.

Empirically, a significant limit is measured above 10% (Gregory-Smith et al., 2014), 20% (Del Guercio et al., 2008) and 30% (Ertimur et al., 2013) voting disagreement. The latter cut-off point is also used by proxy advisors, which assesses dissent above 30% as significant and expects that a compensation policy change by the firm or otherwise will announce a negative recommendation. Australia increases shareholder pressure above 25%, as firms passing this threshold for two consecutive years may face re-election votes for the board of directors (see Appendix, Table 2 for details). Passing the majority quorum increases the probability of implementation by 40%–50% (Cuñat et al., 2016), and the overall frequency of implementing majority votes nearly doubled after 2002 (Ertimur et al., 2010). Nevertheless, dissent alone is not sufficient to reflect shareholder pressure because it does not account for the number of shareholders actually attending the meeting. Lower meeting attendance can undermine high voting dissent, particularly when less than half of the share capital is reflected (Vesper-Gräske, 2013). Given the same level of shareholder pressure, annual votes are more likely to be implemented than bi- or tri-annual votes due to a higher level of accountability (Ferri & Oesch, 2016). Like voted proposals, shareholder pressure affects the withdrawing of proxies as well. Executives are more likely to negotiate a resubmitted proposal with shareholders when prior pressure is high (Foley et al., 2015), and timely withdrawal can have a stronger effect than proxy proposals with low voting support (Bauer, Moers, & Viehs, 2015).

5.2 Executive compensation

Executive compensation is mostly affected by SOP voting dissent, and the total compensation, growth rates, structure and specific PPS ratios are adjusted in accordance with shareholder pressure. More specifically, firms reduce the growth of CEO compensation (Kimbro & Xu, 2015), total remuneration (Faghani, Monem, & Ng, 2015), decrease in fixed salaries (Martin & Thomas, 2005) and make cuts in short-term bonus payments (Grosse et al., 2017) when facing shareholder disagreement. The reduction of compensation is more pronounced in companies with overall poor market or operational performance (Alissa, 2014) and does not affect high, economically justified levels of remuneration (Ertimur et al., 2011). Brav et al. (2008) estimate that hedge fund activism decreases CEO payments by one million USD annually compared with peer companies. When comparing an international sample of firms with and without SOP, the results show that CEO pay declines on average by 7%, and the PPS of the compensation schemes increases on average by 5% (Correa & Lel, 2016). Once again, the remuneration downturn is more pronounced in firms with poor performance or abnormal compensation. In contrast to the above-mentioned results, others did not find that high voting dissent decreases the level or structure of compensation (Brunarski, Campbell, & Harman, 2015; Conyon & Sadler, 2010). Even outright rejected equity plans are not adjusted and are instead resubmitted for voting in the following year (Armstrong et al., 2013).

Voting dissent is able to strengthen the PPS (Brav et al., 2008; Faghani et al., 2015), especially when shareholders demand it through a specific PPS proposal (Fortin et al., 2014). The increase in incentive-based compensation is not only observable for the CEO but also for other executives (Burns & Minnick, 2013) and is usually done by increasing the ration of contingency payments (Chowdhury & Wang, 2009). Managers also anticipated proxy votes by increasing the PPS prior to the vote (Balsam et al., 2016) or decreasing excessive payments (Ertimur et al., 2011), replacing unrestricted equity compensation (Ng et al., 2011), terminating controversial retesting provisions for stock options and reducing the number of severance agreements (Ferri & Maber, 2013) in response to shareholder dissent. Such corporate reactions subsequently decrease shareholder disagreement in the subsequent period (Ertimur et al., 2013).

5.3 Firm characteristics

The reaction of shareholder activism to firm characteristics can be divided into operational performance effects and stock market effects. Among the operational performance effects, shareholder-initiated proposals serve as disciplinary instruments that produce higher overall firm performance (Del Guercio et al., 2008; Morgan & Poulsen, 2001), fewer potentially inefficient acquisitions (Cuñat, Gine, & Guadalupe, 2012) and higher payouts (Brav et al., 2008); shareholder-initiated proposals also reduce overhead and capital expenditure costs (Cuñat et al., 2016) in the subsequent periods. Voting dissent also increases dividends and decreases leverage (Brunarski et al., 2015).

Stock market effects are measured using event study methods by calculating the cumulative abnormal returns over a certain event time window. By doing so, Karpoff et al. (1996), Wahal (1996) and Brav et al. (2008) found no significant reaction when activists targeted a firm with compensation-related proxy proposals. Negative market effects are found for proposals related to executives (Yang et al., 2012), especially when the proposals were submitted by certain groups, such as labor unions (Cai & Walkling, 2011; Gillan & Starks, 2000). Firms with low PPS and high abnormal compensation lose market value once SOP votes are mandatory (Hitz & Müller-Bloch, 2014).

In contrast, positive stock market effects are found for the submission of compensation-related proposals (Thomas & Cotter, 2007), PPS proposals (Fortin et al., 2014), voluntary SOP votes (Cuñat et al., 2016) and 'just vote no' campaigns (Del Guercio et al., 2008), especially for targets that have performed poorly or have poor corporate governance (Cuñat et al., 2016; Renneboog & Szilagyi, 2011). The beginning of private negotiations with institutional investors (Becht, Franks, Mayer, & Rossi, 2009) and management-sponsored, equity-based compensation plans (Morgan & Poulsen, 2001) also trigger positive reactions unless the equity plans are classified as dilutive (Martin & Thomas, 2005). Measuring the outcome effect of SOP votes is difficult because the results may be expected and hence already be included in the stock price. Cuñat et al. (2012) examine stock market effects for voting results by analyzing 'close calls' and found a significant, positive impact. Close calls are proposals that pass or fail by a small margin (e.g., 5%) of the votes cast.

5.4 Other corporate governance characteristics

Besides executive compensation, other corporate governance characteristics, such as firms' disclosure decisions, auditor relations, management elections and turnover, are also affected by voting dissent. High voting dissent leads to increased compensation reporting (Grosse et al., 2017; Hadley, 2017), intensified investor relations (Ertimur et al., 2013) and higher audit fees due to a higher litigation risk and overall low governance (Bordere et al., 2014). Firms shape their governance structure according to proxy advisor recommendations prior to a vote in order to gain stockholder support, especially if they expect to receive high dissent or have major shareholders who are likely to follow proxy guidelines (Larcker et al., 2015).

Such anticipatory changes are important because lower re-election support is reported for those non-executive directors who approve excessive CEO compensation, especially when these directors are members of the compensation committee and hence responsible for the abnormal payments (Cai et al., 2009). Connected with the fact that low voting approval for non-executive directors increases their turnover (Iliev et al., 2015), shareholder dissatisfaction can have meaningful consequences. Similar patterns are also reported for executives. Within mandatory SOP regimes (Alissa, 2014) or shareholder-initiated proxy activism (Brav et al., 2008), higher disapproval is connected to higher executive turnover although such a connection has not been seen for shareholder-initiated SOP votes in the USA (Cuñat et al., 2016).

6. Limitations and recommendations for further research

The reviewed literature indicates three types of limitations in studies regarding shareholder activism on executive compensation and SOP. First, we discuss advances that can be made within the currently dominating neoclassical principal agent theory and the currently dominating archival-based research methods. Second, as these advances have limitations, other areas of research such as 1) shareholder interests in non-financial performance (sustainable) and 2) the influence of behavioral aspects are discussed. We recommend the use of the theoretical adjustments outlined in Section 2. The inclusion of behavioral characteristics is accompanied by a call for an extension to future research methods and topics. As we describe, it is unlikely that archival-based studies can fully answer these research questions and address the limitations observed and discussed in this literature review, thus experimental designs should be included.

6.1 Future research in line with neoclassical principal agent theory

The reviewed sample indicates that principal agent theory is the most frequently used concept in shareholder activism; only a fraction of the papers in the reviewed sample employ alternative theories (e.g., institutional theory (Bates & Hennessy, 2010)). Although we argue that future research should consider extended theoretical concepts, we acknowledge the contribution of the agency concept and discuss which knowledge gaps can be closed by applying it. With respect to the sample countries, the lack of international studies is striking. Nearly all the articles were based on board-system countries and approximately three-quarters conducted their research in the USA. Cross-country examination emerged only recently (e.g., Correa & Lel, 2016; De Falco et al., 2016). Yet, an international scope is important because, among other things, countries differ in their legal environment, governance system and market mechanism. While some countries rely on a coordinated market-based system (e.g., UK and USA), others focus on mutual team production (e.g., Germany and Austria) (Sauerwald et al., 2016). This affects shareholders' acceptance of stakeholder demands because in team production countries, stakeholders are much less replaceable compared with coordinated market-based countries. SOP is likely to be more efficient in coordinated market-based systems because the degree of shareholder engagement should be higher as private negotiations are less frequent compared with team production countries. Consequently, shareholders are more experienced and hence sophisticated in their decision making, which is vital to activism and subsequent proxy voting.

The ‘Coordination Index’ by Hall and Gingerich (2009) can be used to distinguish both systems. This index estimates the institutional support for market-based or strategic coordination between firms and their stakeholders in a political economy (Hall & Gingerich, 2009, p. 459). The first article connecting the coordination index and shareholder votes (Sauerwald et al., (2016) indicates significant differences between coordinated market-based countries and mutual team-production countries. Adapting regulations that are beneficial for one system can be harmful in another by overriding well-working corporate governance structures because an international ‘one size fits all’ approach is not applicable in corporate governance regulation (Davies & Schlitzer, 2008; Lieder & Fischer, 2011). Focusing on only a few capital markets and neglecting cross-country comparisons can solidify assumptions that are only valid in the small context of prior studies. As a result, knowledge-based regulations outside of these capital markets may be impossible and even misleading. We therefore argue that future empirical work is needed in order to establish whether the opinions of shareholders on optimal compensation contracts differ with the degree of market coordination.

> RQ1: How do shareholder activism and voting patterns differ between market-based systems (e.g., UK and USA) and mutual team-production countries (e.g., Germany and Austria)?
>
> RQ2: How does investor origin affect SOP voting and subsequent changes?

The degree of market coordination also affects the national corporate governance system itself. While coordinated markets rely on a shareholder-oriented (outsider) corporate governance system, mutual team-production countries run a stakeholder-oriented (insider) corporate governance system (Velte & Weber, 2011). It is important to distinguish these two systems because insider systems should be accompanied by more behind-the-scenes negotiations and internal monitoring (e.g., by supervisory boards or audit committees), while outsider systems are likely to rely more on the effects of external disclosure and shareholder activism. Therefore, external disclosure of executive compensation, such as remuneration disclosures and the analysis section of financial and corporate governance statements, should be more detailed, clearer and have higher information-density in outsider systems, as other channels of communication with shareholders are less prominent.

> RQ3: How does remuneration disclosure differ between insider and outsider corporate governance systems, and how does this affect subsequent shareholder voting?

Focusing on a national level, Hadley's (2017) study was the only one in our sample that examined the effect of supplemental compensation disclosure on SOP votes. The paper provides evidence that supplemental disclosure material significantly reduces SOP voting dissent. These disclosure choices are frequently dominated by soft laws with 'comply or explain' approaches. Regulators apply these approaches because a 'one-size-fits-all' corporate governance practice is not suitable and such approaches increase firms' accountability toward their shareholders. This is particularly important for SOP because excessively paid executives try to obfuscate their rent extraction by decreasing readability of remuneration reports (Hooghiemstra et al., 2017). Therefore, it seems promising to examine the differences in remuneration disclosure in order to challenge the current best practice guidelines. Improved shareholder monitoring is only efficient when the firms' disclosures enable these shareholders to analyze excessive payments or unfavorable remuneration schemes.

> RQ4: How do national corporate governance codes on remuneration disclosure and firms' disclosure quality affect shareholder voting?

SOP is now widespread, but countries differ significantly in the design of their laws (e.g., Thomas and Van der Elst, (2015)). These differences matter because SOP can be mandatory or voluntary and its results can be binding or non-binding, as explained in Section 3.2 and Table 2. We therefore recommend further analysis of the effects of such distinctions. Although our review indicates that non-binding votes can be efficient given a certain voting threshold, it is not clear how shareholders react to binding proxies. As the potential consequences of voting dissent are more severe under binding regulations, voting patterns are likely to differ to those in non-binding regimes because shareholders may be more cautious. This difference in voting patterns and the accompanying reduction in dissent may undermine the power of a binding SOP regime. Thus, it seems prudent to compare voting dissent between countries with advisory votes and those with binding votes. Once these voting patterns are examined, firms' reactions to higher voting dissent in non-binding jurisdictions compared with those in binding jurisdictions should be analyzed. We would generally expect a higher willingness for significant changes in compensation contracts rather than symbolic adjustments in binding environments, but this expectation must be established empirically. It is important to answer this call for empirical cross-country results because various legislators, especially those in Europe, are currently revising their laws on shareholders' rights.

> RQ5: How does voting dissent in countries with non-binding SOP differ compared with countries with binding SOP?
>
> RQ6: How do firms' reactions to high voting dissent in countries with binding SOP differ compared with those in countries with non-binding SOP?

Cross-country studies are also useful when assessing the effects of SOP laws on total compensation. Although longitudinal data can help to establish the long-term effects, capital market regulations usually affect all listed firms, making it difficult to select suitable peer companies. Thus, exploring the effects by comparing compensation trends of firms in an SOP regime with those not in an SOP regime may shed further light on the overall effect. This can also be done in the comparison of the different regimes. Remuneration growth of countries with non-mandatory and non-binding votes (e.g., Germany or Canada) can be compared with countries that run a mandatory, but still non-binding, SOP (e.g., UK and USA) and with countries that demand a mandatory and binding SOP (e.g., Switzerland).

> RQ7: How is the growth of executive compensation influenced by the existence or design of a specific SOP regime?

As the reviewed literature indicates, SOP votes affect executive compensation only when shareholder pressure, represented by voting dissent and voting attendance, is sufficiently high. Although several studies have examined the effect of SOP votes, there is no consensus regarding the measurement of voting dissent and nearly all studies fail to account for shareholder attendance level during the annual general meeting. With respect to the measurement of voting dissent, the absolute level of voting dissent, its natural logarithm and the relative change of dissent compared to the previous vote is used. Some studies include abstentions, while others exclude them. Although this seems to be a minor concern, ignoring withheld votes, for example, can systematically bias the results. Institutional investors use abstentions in order to express their discontent and signal that they will vote against the proposal in the following annual general meeting in the absence of action (Ferri & Maber, 2013; Sauerwald et al., 2016). Given the overall rise in shares held by institutional investors (Brandes et al., 2008; Chowdhury & Wang, 2009) as well as their link to shareholder activism (Ryan & Schneider, 2002), such potential bias can have meaningful consequences. Considering shareholders' attendance, higher voting dissent will generate more pressure in cases of high shareholder attendance at the meeting: cases of high voting dissent are more likely to promote change when the majority of shareholders raise their voice. Thus, the measurements of dissatisfaction, or the combination of voting dissent and meeting attendance together with shareholders' attitude towards withholding votes, must be examined in more detail.

> RQ8: How does the measurement of voting dissent and shareholder attendance affect firms' responses?

Similar measurement issues arise with executive compensation. The reviewed literature indicates relatively consistent results for the level of executive compensation, as excessive compensation and overall high levels of compensation raise shareholders' concerns. Nevertheless, little is known about the structure of compensation. The results of the reviewed sample articles on equity incentives are far from reaching a consensus and non-equity-based cash-bonus plans are rarely examined. There is a reasonable amount of research that considers the relationship between firm performance and bonus payments (Jackson, Lopez, & Reitenga, 2008) and subjective choices in CEO bonus plans or managerial bonus pools (Ederhof, 2010). However, little is known about the relationship between bonus schemes and shareholder dissent. Compensation committees have certain discretion when assessing executives' cash-bonuses (e.g., Adut, Cready, & Lopez, 2003) and this discretion can be exercised without interference by shareholders. Given that the review indicates the importance of transparency and objectivity for the pay setting process (Kaplan et al., 2015; Van der Elst & Lafarre, 2017), it seems likely that shareholders object to such discretion. Within our sample, only two papers (Burns & Minnick, 2013; Van der Elst & Lafarre, 2017) examined short-term cash bonuses, but neither considered subjective choices or managerial discretion. It is also not clear whether long-term cash bonus plans such as accounting-based payments with deferrals are more valued by shareholders.

> RQ9: How does the extent of managerial discretion on bonus schemes affect shareholder voting?

> RQ10: How do shareholders respond to the use of long-term bonus schemes?

Overall, we find relatively weak evidence that 'good' corporate governance practices reduce shareholder activism or decrease voting dissent. Several articles could not establish general connections and, with respect to managerial entrenchment, some studies even reported contradictory results (Burns & Minnick, 2013; Ertimur et al., 2011; Fortin et al., 2014). These contradictory findings may have several explanations. On the one hand, shareholders may focus on governance-related proposals, such as the termination of poison pills in firms with entrenched managers. On the other hand, activists may expect low prospects for the success of non-binding SOP proposals in such firms and, consequently, focus on other targets.

However, the expected benefit from activism is higher for poorly governed firms with entrenched managers. That is because replacing an entrenched manager is likely to be value increasing due to the prior underdevelopment in management. Given that our review indicates higher CEO turnover in cases of higher voting dissent, it seems unlikely that shareholders expect low prospects for their campaign and hence focus on other targets. It is also possible that the governance proxies employed, such as board size, governance index or number of non-executive directors, are unable to capture the compensation-specific characteristics of firms' governance. Consequently, we call for more advanced measurements of internal and external corporate governance factors—for example, expertise and independence of compensation committees, overlapping memberships in audit and compensation committees, board diversity and strength of the enforcement regime. Advanced measurements such as the educational background of directors or their experience as non-executives are likely to yield better results because negotiating a suitable remuneration policy can be a complex task that requires a certain degree of practice (see Murphy and Jensen (2011) for design issues in CEO bonus-plans). Moreover, the review indicates that educational or social ties between directors and executives are important (e.g., Butler & Gurun, 2012) although the existing evidence remains thin. Given that potential collusion between both bodies can arise, it is likely that governance proxies that capture these aspects will yield more precise results.

> RQ11: How does the choice of corporate governance proxies affect shareholder activism and SOP votes?

With only one exception (Kent et al., 2016), none of the analyzed papers incorporated compensation committee characteristics, and there is no information on the effect of compensation consultants. Further research should, therefore, consider the ambiguity that arises from compensation committees or compensation consultants. Compensation committees, for example, are designed to establish an acceptable remuneration contract and should, therefore, increase interest alignment between shareholders and managers. Yet, executives often appoint new directors (Cai et al., 2009), which can eventually lead to a group of mutual promoters and, thus, over time compensation committees may verify excessive compensation rather than reduce it.

Similar problems arise from the use of compensation consultants. On the one hand, consultants can be hired by the management in order to justify excessive remuneration contracts or consultants may try to recommend higher remuneration in order to secure future business with the firm. On the other hand, compensation consultants may be able to bridge the gap between shareholders' expectations and executives' demands. Given the relatively broad range of research on these consultants (see Bender, 2012 for an overview), it is surprising that none of the studies within the sample examine their effect on SOP votes.

> RQ12: How far can compensation committees or compensation consultants align the interest between shareholders and executives?

6.2 Future research incorporating non-financial (sustainable) aspects

As discussed in Section 2.1, shareholders are not uniformly concerned with firms' financial performance. To understand this expectation, one must first acknowledge that there is ample evidence of non-financial (sustainable) shareholder activism (e.g., Guay et al., 2004; Sjöström, 2008; Goranova & Ryan, 2014; Briscoe & Gupta, 2016). Social activists monitor firms and target those with poor CSR performance—for example, firms with high pollution, problems with human rights or unacceptable working conditions. These shareholders will increase SOP voting once the CSR performance of the firm is poor. Thus, firm performance must be valued as a combination of financial and non-financial performance. Within the reviewed sample only Cullinan et al. (2017) investigated non-financial performance. Their results clearly indicate that CSR performance matter within SOP votes, as Section 4.2 describes. Nevertheless, the article is limited as CSR performance is applied exclusively as an input factor, and not as an output factor. Moreover the circumstances of when exactly CSR performance matters and the interactions between financial and non-financial performance are examined only partially. Thus, more research is needed to establish a clear pattern.

> RQ13: How does firms' non-financial performance affect voting dissent and how does this voting dissent affect CSR performance?

We expect that compensation-related activism for CSR is likely to gain future importance because social activism comes with two problems: first, social activists bear the costs of constantly monitoring the firms and carrying out the campaign. This is a drawback because shareholder activism is costly. As Gantchev (2013) highlights, a campaign ending in a proxy fight costs, on average, more than $10 million. Second, once a firm has been identified as having poor CSR performance, the damage is already done. Hence, by targeting the firm, social activists cannot undo the harm but only achieve reparation and send a signal to peer companies that CSR performance is important. Even though reparation and potential spillover effects are clearly beneficial, ex-ante prevention is more important than ex-post cure. In the context of environmental pollution, Berrone and Gomez-Mejia (2009, p. 107) observed that 'there is a fair degree of consensus among environmental scholars that pollution prevention strategies are more valuable than end-of-pipe solutions'.

Therefore, non-financial activists will seek means that are less costly and ensure prevention rather than sanctions. One such is to incorporate social aspects into the long-term elements of executive compensation, which can be efficient. Prior research demonstrates that long-term payments (Deckop, Merriman, & Gupta, 2016) and/or non-financial bonus targets (Cordeiro & Sarkis, 2008; Hong, Li, & Minor, 2016) increase CSR performance. Scholars consequently argue that non-financial key performance indicators should be included in compensation contracts (Berrone & Gomez-Mejia, 2009). The main argument is that the monetary reward of sustainable elements in remuneration schemes is likely to moderate managerial behavior towards CSR performance. Thus, the increased PPS link may be more beneficial when non-financial, sustainable and long-term elements are used instead of annual financial performance. As soon as the compensation scheme includes CSR elements, the board of directors and the compensation committee are responsible for monitoring the contract. Hence, these monitoring costs are shifted from shareholders to the firm.

Taken together, the alignment effect towards prevention and the shift of monitoring costs should make compensation-related shareholder activism for non-financial performance attractive and will hence be an increasingly important topic. Currently, relatively little is known about how sustainable interests of shareholders affect compensation-related activism or remuneration schemes. There has been a stream of articles exploring the relationship between CSR performance and executive compensation schemes (e.g., Berrone & Gomez-Mejia, 2009; Cordeiro & Sarkis, 2008; Francoeur, Melis, Gaia, & Aresu, 2017; Hong et al., 2016; Maas, 2016) but, overall, their results are mixed and no academic consensus has yet emerged.

Shareholders who engage in compensation-related activism and have non-financial objectives will target firms with poor CSR and which do not incorporate non-financial performance into firms' remuneration policy but have potential for future improvements. Unless the country is running a mandatory SOP regime, these shareholders are likely to submit a proxy proposal for the next annual general meeting.

> RQ14: How do firms' CSR performance and the integration of non-financial items in executive compensation affect the likelihood of being targeted?

With respect to shareholder voting dissent, certain investor types actively seek non-financial performance, while others acknowledge or even oppose them. For example, a high ratio of investors who have signed the UN Principles for Responsible Investment will most likely cause higher voting dissent if sustainable performance is low and executives are not incentivized to improve it. In contrast, a high turnout of shareholders who are exclusively concerned with financial performance may increase voting dissent once non-financial targets are implemented in the executive remuneration scheme. These investors may be concerned that the executives will seek non-financial rather than financial performance. Specifically, those with a fiduciary (financial) duty towards their clients such as hedge fund managers may disagree with compensation contracts that incentivize non-financial performance.

RQ15: How does the implementation of non-financial key performance indicators in the management compensation system affect SOP voting?

RQ16: How is this voting pattern connected to firms' shareholder structure?

6.3 Future research incorporating behavioral aspects

The majority of reviewed articles focused on neoclassical principal agent theory, which assumes interest alignment through incentive schemes, specifically by granting equity compensation or contingent payments. It is argued that a superior compensation scheme exists and shareholders, if equipped with enough power, can demand this scheme. On the one hand, the reviewed results support the theory that SOP dissent is triggered by excessive compensation and that it is able to curb such abnormally high payments. On the other hand, Section 2.2 indicates that behavioral aspects are important, and evidence is confusing regarding more complex constructs, such as the compensation structure. Section 4.1 indicates that neither bonus payments nor equity compensation are favored by shareholders and that equity compensation in particular seems to cause more problems than it puts forward solutions. Dilution, unrestricted stocks or stock options, short vesting periods and retesting provisions are among the reported problems that cause high voting dissent. Finally, it is not clear why some studies find a meaningful effect of shareholder activism on executive compensation and others do not (Section 5.2). Such results conflict with neoclassical principal agency theory but can be consistently explained by incorporating behavioral aspects.

With respect to behavioral aspects, equity compensation has several problems. Linking compensation to firm performance forces the risk-averse agents to share the outcome risk by accepting payments that are not fully controlled through their own effort. Agents bind their undiversifiable human capital to the firm and may be unwilling to accept further (financial) commitment (Zajac & Westphal, 1994). Once bound to further (financial) commitment through equity-based payments, executives will demand a surplus on their payments such as increased fixed compensation or bonuses for mediocre performance, as demonstrated by Dittmann, Maug, and Zhang

(2011). This is supported by Balsam et al. (2016) who report that a lower proportion of fixed salary to total compensation is negatively associated with total compensation. Thus, shareholders may be better off paying fewer equity incentives and increasing cash salary, in line with the results from Dittmann and Maug (2007).

Neoclassical agency theory assumes that shareholders are homogenous and risk-neutral because they can diversify their share capital. Such shareholders are likely to uniformly disagree with the additional payments although the compensation scheme seems justified to the risk-averse agent. Accepting behavioral aspects allows for different levels of risk-aversion for shareholders. Shareholders with a low preference for risk are likely to value the additional payments (e.g., higher fixed compensation or bonuses for mediocre performance) as fair. In contrast, shareholders with a higher risk preference may assess these additional payments as unjustified because their own perception of an adequate level of risk is higher.

> RQ17: How does individual shareholder risk preference affect shareholder voting?

Similar to risk preferences, the valuation of vesting periods will also cause unequal expectations of an optimal contract from shareholders' and executives' points of view. Vesting periods are another problem related to equity incentives. Shareholders, on the one hand, are likely to demand long vesting periods in order to exclude myopic managerial behavior, and several countries require minimum vesting periods. Behavioral agents, on the other hand, have a temporal preference. They will discount payments as hyperbolic rather than, as expected in conventional financial theory, exponential (Pepper & Gore, 2015). Therefore, the perceived valence of equity payments for executives is likely below the theoretical, mathematical net present value. Consequently, the executive will demand higher equity payments than anticipated in order to attain the same perceived value. Such higher payments, in turn, may cause increased voting dissent due to high, (economically) unjustified levels of compensation. Therefore, the reviewed articles suggests that equity compensation can be associated with higher voting disagreement although the problem does not actually lie in the contract. Rather, it is part of the managerial evaluation of the contract and its behavioral elements.

> RQ18: How does the different valuation of vesting periods affect shareholder voting?

With respect to SOP voting dissent and executive compensation, much work has been done regarding examining high or excessive compensation by comparing CEOs from different firms (horizontal adequacy). Yet, little is known about shareholders' perceptions of the executive-employee ratio (vertical adequacy). Given that such ratios frequently lead to scholarly discussions (Bebchuk & Fried, 2004) and garner public attention (Smith & Kuntz, 2013), it is likely that exceeding a certain threshold may raise shareholders' concerns together with stakeholder pressure.

The public attention to the vertical adequacy of CEO compensation and its fairness will increase in the future, as the revised Section 953(b) of the Dodd-Frank Act includes the 'Pay Ratio Rule', which became effective on January 1, 2017. The rule was initially proposed in September 2013 and the SEC requested comments on the revision. According to official statements, the SEC received about 287,000 comments, the majority of which were favorable.3 This large number of responses reflects the importance of CEO compensation to the general public, which in turn affects SOP votes. As SOP regulation spread worldwide, the disclosure of pay ratios was considered in other countries as well. The recent UK BEIS Corporate Governance Green Report published in April 2017 advocates the use of pay ratios. Similar guidelines exist in the German Corporate Governance Code Act 4.2.2, which demands that the supervisory board consider the ratio of management board remuneration to the remuneration paid to the entire staff. Taken together, it seems reasonable to assume that this recent development will be accompanied by increasing scholarly attention.

[3] See Securities and Exchange Commission (Release Nos. 33-9877; 34-75610; File No. S7-07-13), RIN 3235-AL47 available at: https://www.sec.gov/rules/final/2015/33-9877.pdf

RQ19: How does shareholder perception of the fairness of the CEO-employee pay ratio affect voting dissent?

Within the reviewed sample, Krause et al. (2014), Kaplan et al. (2015) and Kaplan and Zamora (2016) analyzed SOP votes with respect to behavioral aspects. These experimental studies highlight the importance of perceived fairness and loss aversion and indicate that neoclassical agency theory does not cover all aspects of compensation-related research. Considering that the sample contains 71 articles, the fraction of behavioral-based papers is quite small. This is not surprising given that behavioral aspects are difficult to include in archival-based studies. With the notable exception of a quasi-field-experiment with inside information conducted by Becht et al. (2009), all the papers used archival-based research. Consequently, we advocate more heterogeneity in research methods. Among the various methods such as field studies, surveys and interviews, we stress the need for (laboratory) experiments in order to gain insight into behavioral elements of accounting, finance and corporate governance. For example, articles in the field of auditing have examined the importance of experiments and stressed the need to acknowledge behavioral elements as well as multiple methods (Gramling, Johnstone, & Mayhew, 2001). As experiments became more important over recent years, their robustness and influence over archival studies increased (Luft, 2016).

7. Summary

Shareholder activism is an increasingly important topic that not only concerns the academic community but is also a prominent theme in the public media. This is particularly true for activism related to executive compensation and SOP votes. Such developments call for the examination and discussion of the current state of knowledge in order to guide further research.

Consequently, we conducted a systematic literature review to synthesize and discuss the determinants and consequences of executive compensation-related shareholder proposal initiations and SOP votes. The review sample contained 71 empirical studies published between January 1995 and September 2017. We considered empirical articles that examined proxy proposal submission by shareholders in order to vote on executive compensation, together with empirical studies that conducted research on SOP. SOP was broadly defined as any shareholder vote regarding the approval of executive compensation or parts of it during firms' annual general meetings.

The reviewed literature was examined within a research framework that distinguishes between the reasons for shareholder activism and SOP voting dissent as input factor on the one hand and the consequences of shareholder pressure as output factor on the other hand. The results indicated five different types of factors: the level and structure of executive compensation, firm characteristics (e.g., performance), other corporate governance characteristics (e.g., CEO duality or board size), shareholder structure and other stakeholders (e.g., proxy advisor or media coverage). Half of the reviewed sample examined both input and output factors, while 31% considered only input factors and 19% considered only output factors. Taken together, more is known about the input factors, while empirical literature about the output factors has not yet reached a consensus and is still developing.

After summarizing all articles according to these five factors, the research gaps were discussed. Overall, the review concluded that principal agent theory combined with the archival-based research method currently dominates research on compensation-related shareholder activism. We subsequently discussed how future researchers can develop new insights while maintaining current theoretical concepts and methodological models. More precisely, we examined the homogeneity of sample countries, knowledge gaps in the influence of national corporate governance practices, issues in measuring and comparing shareholder pressure, and executive compensation. We also raised a call for more sophisticated corporate governance proxies together with examination of the influence of compensation committees and compensation consultants. This discussion was combined with 19 different research questions that can guide future academic work in the field.

Although we acknowledge the achievements of neoclassical agency theory and archival studies, we argue that scholars must consider enhanced theoretical concepts in order to gain a more realistic and complex understanding of shareholder activism and SOP voting decisions. More specifically, we explained why rational choice-based assumptions may not be universally applicable and how behavioral aspects can contribute to the current discussion of 'fair' executive compensation. Based on these behavioral aspects we discussed how individual risk preferences, different valuation of vesting periods and, most importantly, shareholders' perception of fairness (e.g., CEO-employee pay ratio) affect compensation activism and SOP. This discussion was accompanied by three different research questions. Because behavioral aspects are almost undetectable in archives, we encourage scholars to apply alternative methods, such as laboratory experiments. Experiments are a more suitable method to uncover shareholders' perceptions and other behavioral aspects.

We further argue that the assumption that shareholders are solely motivated by maximizing financial value faces similar problems. The reviewed literature indicates that non-financial (sustainable) interests, such as social, environmental or governance issues together with labor conditions significantly affect compensation-related activism and SOP votes. We therefore advocate examining shareholder activism in connection with non-financial firm performance, CSR incentives in executive compensation contracts and the heterogeneity of shareholders. Sustainable, long-term performance linked with executive compensation contracts is an increasingly important topic in academia and is likely to be detected as an alignment and monitoring mechanism by non-financial activists as well.

Taken together, the extended empirical framework, the synthesis of knowledge in this field, the discussion of empirical results and the subsequent 19 research questions should guide further research regarding shareholder activism related to executive compensation in new directions.

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Table 3: Count of published papers cited

PANEL A: Shareholder proposal initiation

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
1996	• Karpoff et al. • Journal of Financial Economics	• USA • 522 proposals in 269 firms • 1988–90	• firm characteristics: market-to-book ratio, operating return on sales, recent sales growth rate, cumulative abnormal stock return	• firm characteristics: operating returns on sales and assets, cumulative abnormal return (CAR) • other corporate governance characteristics: e.g. CEO turnover	• negative link between receiving a shareholder proposal and firm's market-to-book ratio, operating return on sales and recent sales growth
1996	• Wahal • Journal of Financial and Quantitative Analysis	• USA • 356 proposals in 146 firms • 1987–1993		• firm characteristics: operating income/total assets, net income/total assets, • CAR, abnormal holding period return, • investor characteristics: Institutional ownership	• target firms do not have significant abnormal returns at the time of targeting. • no evidence of long-term improvement in firm performance after being targeted
1999	• Del Guercio and Hawkins • Journal of Financial Economics	• USA • 266 proposals in 125 firms • 1987–1993		• firm characteristics: CAR, buy-and-hold-return • other corporate governance characteristics: e.g. CEO turnover	• proposals are followed by significant firm policy changes, e.g. asset sales and restructurings

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
2000	• Gillan and Starks • Journal of Financial Economics	• USA • 2,042 proposals in 452 firms • 1987–1994	• shareholder: ownership structure, sponsor identity, issue type of investor	• firm characteristics: CAR	• sponsor identity, issue type, prior performance and time period are important influences on the voting outcome • the nature of the stock market reaction varies according to the issue and sponsor identity
2001	• Morgan and Poulsen • Journal of Financial Economics	• USA • 810 votes from S&P 1,500 firms • 1992–1995	• firm characteristics: book-to-market-ratio, leverage, growth opportunities • shareholder: ownership structure	• firm characteristics: CAR	• positive link between proposals and shareholder wealth, especially for those plans that target executives or top management • proposing firms are more likely to have lower book-to-market-ratios in the year preceding the announcement • firms with higher institutional holdings are more likely to propose • shareholders have a more positive perspective on the plans in larger firms and in firms that have lower book-to-market ratios. However, negative plan features (e.g. dilution rates and negative vote recommendations) result in less positive wealth effects and significantly lower approval percentages
2002	• Bethel and Gillan • Financial Management	• USA • 806 Proposals from S&P 1,500 • 1998	• firm characteristics: performance, size • other stakeholders: ISS proxy advisory recommendations, use of external proxy solicitors • shareholder: ownership structure, dilution, Non-routine proposal, passage requirements		• routine proposals have higher voting turnout and receive more votes cast favorable to management • percentage of votes cast favorable to management is increased by presence of investors with large blocks of shares and insider holdings and is reduced by institutional investor holdings • ISS recommendations that are unfavorable to management are associated with fewer vote cast in favor of management
2005	• Martin and Thomas • Journal of Corporate Finance	• USA • 458 proposals in 458 firms • 1997–2000		• executive compensation • firm characteristics: CAR	• higher levels of potential dilution from management-sponsored, executive-only stock option plans result in negative CAR • negative relationship between the vote dissent and the change in executive pay
2006	• Morgan et al. • Journal of Cor-	• USA • 2,083 pro-	• shareholder: dilution • other stakeholders		• shareholders vote less favorably when the ratio of total compensation to assets is high

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	porate Finance	posals from S&P 500 firms • 1992–2003	• executive compensation		• negative voting recommendations provided by outside voting firms lead to lower levels of voting support and grow in relative importance over time • dilution levels related to the proposal drive the decision to vote against proposals less in the later time periods
2007	• Thomas and Cotter • Journal of Corporate Finance	• USA • 1,454 proposals • 2002–2004 •	• shareholder: sponsor type (individual, private institution, public institution, religious group, union group)	• firm characteristics: CAR • other corporate governance characteristics (e.g. removal of important anti-takeover defenses)	• boards are increasingly willing to remove important anti-takeover defenses to response to shareholders' requests
2008	• Brav et al. • The Journal of Finance	• USA • 1,059 proposals in 882 firms • 2001–06		• firm characteristics: ROA, operating profit margin, leverage, • buy-and-hold-return, CAR, raw deal holding-period return • other corporate governance characteristics: CEO turnover, • dividend payouts, analyst forecasts	• the abnormal return around the announcement of activism is approximately 7%, with no reversal during the subsequent year • target firms experience increases in payout, firm performance and higher CEO turnover after activism
2008	• Del Guercio et al. • Journal of Financial Economics	• USA • 112 "just vote no" campaigns • 1990–2003		• other corporate governance characteristics: CEO turnover • firm characteristics: return on assets, • stock return and CAR	• firm performance improvements and abnormal disciplinary CEO turnover after the activism
2009	• Becht et al. • The Review of Financial Studies	• UK • 30 private engagements • 1998–2004		• firm characteristics: ROA, total assets (restructuring intensity), market-to-book-ratio, • CAR	• the fund executes shareholder activism predominantly through private interventions that would be unobservable in studies purely relying on public information • the fund substantially outperforms benchmarks and the authors estimate that abnormal returns are largely associated with engagements rather than stock picking.

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
2009	• Cai et al. • The Journal of Finance	• USA • 13,384 elections in 2,488 meetings • 2003–05	• firm characteristics: EBITDA, excess return • executive compensation • shareholder: Institutional holdings • other corporate governance characteristics: board independence	• firm characteristics (performance) • executive compensation • other corporate governance characteristics: CEO turnover, classified boards, • compensation: poison pills	• shareholder votes are related to firm performance, governance, director performance and voting mechanisms • however, most variables, except meeting attendance and ISS recommendations, have little economic impact on shareholder votes • fewer votes lead to lower abnormal CEO compensation and removing poison pills, classified boards and CEOs • director votes have little impact on election outcomes
2009	• Chowdhury and Wang • Journal of Management	• Canada • 87 firms from TSE-300 • 1995–2002		• executive compensation	• the effect of institutional activism on the proportion of contingent CEO compensation is stronger in the long-term than in the short-term • the long-term effect of proxy-based activism on contingent compensation is very strong
2009	• Ferri and Sandino • The Accounting Review	• USA • 153 proposals in 131 S&P 500 firms • 2003–04		• executive compensation, adoption of ESO expensing	• target firms were more likely to adopt employee stock options (ESO) expensing • the likelihood of adoption increased in the degree of voting support for the proposal • non-target firms were more likely to adopt ESO expensing when a peer firm was targeted • CEO pay decreased in firms in which the proposal was approved. • approval of the proposal is associated with decreases in CEO compensation and the use of ESO in CEO pay
2010	• Bates and Hennessy • Corporate Governance: An international review	• Canada • 592 proposals in 103 firms • 2002–07	• firm characteristics: ROA, firm age • other corporate governance characteristics: board independence, • insider ownership and compensation policies, shareholder rights policies, disclosure policies		• firms with lower operational performance and corporate governance quality are more likely to receive governance- and performance-oriented dissident proxies

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
2010	• Ertimur et al. • Journal of Corporate Finance	• USA • 620 proposals from S&P 1,500 firms • 1997–2004	• other corporate governance characteristics: board independence, CEO duality, insider ownership • shareholder: shareholder rights, shareholder pressure (voting support for the proposal)	• other corporate governance characteristics: CEO turnover, change in number of other directorships held by an outside director	• positive relation between the percentage of votes cast in favor of the proposal and the likelihood of implementation of majority-vote proposal • firms whose peers recently implemented a similar proposal are more likely to follow suit • the implementation of a majority-vote proposal is linked with reduced director turnover
2011	• Dimitrov and Jain • Journal of Accounting Research	• USA • 2,590 meetings with proposal(s) • 1996–2005	• firm characteristics: CAR, stock return • executive compensation • shareholder: institutional ownership	• firm characteristics: CAR, stock return	• managers respond to the shareholder pressure by reporting positive corporate news before the annual shareholder meetings • the pre-meeting returns are significantly higher when shareholder discontent with managerial performance is likely to be stronger • companies with poor past performance exhibit even higher premeeting returns when shareholder pressure on management is greater, such as when institutional ownership is high, when CEO compensation is high and when shareholders submit proxy proposals on corporate governance
2011	• Ertimur et al. • The Review of Financial Studies	• USA • 1,198 proposals & 134 vote no campaigns • 1997–2007	• executive compensation	• executive compensation	• shareholders favor proposals related to the pay-setting process (e.g., subject severance pay to shareholder approval) over proposals that micromanage pay level or structure • while activists target firms with high CEO pay (whether excessive or not), voting support is higher only at firms with excess CEO pay • firms with excess CEO pay targeted by vote-no campaigns experience a significant reduction in CEO pay
2011	• Larcker et al. • Journal of Financial Economics	• USA • 3,451 firms with 46,683 firm days • 2007–09		• firm characteristics: CAR	• with regard to executive pay regulation, shareholders react increasingly negative to firms with highly paid CEOs
2011	• Morgan et al. • Journal of Cor-	• USA • 213,579	• firm characteristics (performance)		• in an analysis of voting across funds within the same fund family, the authors find significant divergence in voting

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	porate Finance	votes on 1,047 proposals • 2003–05	• other corporate governance characteristics: officers' and directors holdings, governance index, board independence, CEO duality, CEO turnover • shareholder: institutional holdings, outside blockholding, fund's holdings in the firm, fund past performance, social fund		within families, emphasizing the importance of focusing on voting by individual funds • mutual funds vote more affirmatively for potentially wealth-increasing proposals and funds' voting approval rates for these beneficial resolutions are significantly higher than those of other investors • funds tend to support proposals targeting firms with weaker governance • funds with lower turnover ratios and social funds are more likely to support shareholder proposals • fund voting approval rates significantly impact whether a proposal passes and whether one is implemented
2011	• Renneboog and Szilagyi • Journal of Corporate Finance	• USA • 2,436 proposals in 1,961 firms • 1996–2005	• firm characteristics: total assets, total sales, debt-to equity ratio, book-to-market ratio, raw and abnormal stock return • other corporate governance characteristics: governance index, entrenchment index, board size, independent directors, CEO duality, CEO ownership, • executive compensation: stock-based to total CEO pay, abnormal CEO pay, PPS of CEO options, • shareholder: institutional ownership, type of institutional investors (e.g. banks)	• firm characteristics: CAR	• target firms tend to underperform and have generally poor governance structures, with little indication of systematic agenda-seeking by the proposal sponsors • governance quality also affects the voting outcomes and the announcement period stock price effects, with the latter strongest for first-time submissions and during stock market peaks • proposal implementation is largely a function of voting success but is affected by managerial entrenchment and rent-seeking
2012	• Ashraf et al. • Journal of Financial and Quantitative Analysis	• USA • 340 proposals • 2004–06	• shareholder: fund families with pension-related business ties		• fund families support management when they have pension ties to the firm • the authors find no relation when they stratify by fund family in conditional tests, which suggests that fund families with pension ties vote with management at both client and non-client firms
2012	• Butler and	• USA	• shareholder: educationally con-		• mutual funds whose managers are in the same education-

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	Gurun • The Review of Financial Studies	• 1,840 companies and 6,037 senior officers • 1992–2006	nected funds and connected ownership (elite degree, ROA, sales growth, member of the S&P 500 index, market value, illiquidity, market-to-book ratio, past volatility, 12-month-return, leverage, institutional ownership concentration)		al network as the firm's CEO are more likely to vote against shareholder-initiated proposals to limit executive compensation than out-of-network funds are • this voting propensity is stronger when voting among the funds in a family is not unanimous • furthermore, CEOs of firms who have relatively high levels of educationally connected mutual fund ownership have higher levels of compensation than their unconnected counterparts
2012	• Cunat et al. • The Journal of Finance	• USA • S&P 1,500 and 500 widely held firms; nearly 4,000 proposals • 1997–2007	• firm characteristics: CAR, Tobin's Q, capital expenses/assets, ROE, R&D, acquisitions ratio and count • other corporate governance characteristics: governance index • shareholder: ownership by top five shareholders, institutional shareholders	• firm characteristics: acquisitions, growth rate of capital expenditures, book-to-market value, • firm characteristics: CAR • other corporate governance characteristics: antitakeover provisions	• passing a proposal leads to significant positive abnormal returns • the market reaction is larger in firms with more antitakeover provisions, higher institutional ownership and stronger investor activism for proposals sponsored by institutions • acquisitions and capital expenditures decline and long-term performance improves
2012	• Yang et al. • Managerial Finance	• Canada • 762 proposals • 2001–08	• shareholder: institutional investors, coordinated groups of investors, individual investors, religious organizations	• firm characteristics: CAR	• proposals submitted by institutions or coordinated shareholder groups receive stronger support than those submitted by individuals and religious groups • targeted firms are more willing and more likely to reach agreements with institutional investors, which in turn prompts activists to withdraw their proposals • the targeted firms' stock prices respond substantially to news on proposals submitted by institutional and coordinated investors and proposals on social and environmental issues
2013	• Sun et al. • Journal of International Financial Management & Ac-	• USA • 321 proposals in 144 firms • 2002–06	• other corporate governance characteristics: discretionary accruals (to meet or beat earnings benchmarks) (Kothari et al. model)		• firms targeted by shareholder proposals have a greater magnitude of discretionary accruals in their reported earnings • the likelihood of meeting or beating earnings benchmarks through the use of accruals is higher for targeted firms

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	counting				whose managers have job security concerns due to the firms' inferior stock performance in the past or have plans to sell company stock
2015	• Bauer et al. • Corporate Governance: An international review	• USA • 12,474 proposals in S&P 1,500 firms • 1997–2007	• shareholder: influential (institutional or labor unions) versus private, institutional ownership • other corporate governance characteristics: insider ownership	• executive compensation	• proposals filed by influential investors are more likely to be withdrawn than proposals filed by private investors • institutional ownership (in particular by long-term, passively investing institutions) is positively related to the likelihood of a proposal's withdrawal if the sponsoring shareholder is an institutional investor • negative relation between CEO ownership and the likelihood of withdrawal, especially for corporate governance proposals. • withdrawn proposals on executive compensation change subsequent corporate pay practices
2015	• Filatotchev and Dotsenko • Journal of Management & Governance	• UK • 270 shareholder initiated proposals in 217 FTSE firms • 1998–2008	• shareholder: e.g. traditional institutional investors	• firm characteristics: CAR	• abnormal stock-market returns vary depending on shareholder activism form, type of investor and the nature of investor proposals
2015	• Foley et al. • Corporate Governance	• USA • 2,739 proposals • 2004–07	• firm characteristics: stock return, market-to-book ratio • other stakeholders: individual, union, public pension fund, other institutions, religious • other corporate governance characteristics: insider ownership, board size, board independence • shareholder: block holder ownership, institutional ownership		• unions (powerful sponsor) are more likely to withdraw proposals when the prior years' appeal is higher, when firms have a record of poor performance, lower insider ownership or relatively independent boards
2015	• Iliev et al. • The Review of	• 43 countries (worldwide)	• other corporate governance characteristics: investor protec-	• other corporate governance characteris-	• laws and regulations allow for meaningful votes to be cast, as shareholder voting is both mandatory and binding

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	Financial Studies	• 8,160 firms • 2003–09	tion, managerial entrenchment	tics: director turnover • M&A withdrawals	for important elections • for votes cast, there is greater dissent voting when investors fear expropriation • further, greater dissent voting is associated with higher director turnover and more M&A withdrawals
2016	• Sauerwald et al. • Journal of Management Studies	• 15 Western European countries • 717 • 2008–09	• other corporate governance characteristics: relational blockholder, stakeholder directors • executive compensation • moderators: team production governance model (coordination index)		• shareholder dissent expresses an agency theoretical evaluation of corporate governance • the degree to which the capitalist system of a country is a coordinated market economy (CME) leads shareholders to evaluate corporate governance more in team production terms
2017	• Arfa et al. • Research in International Business and Finance	• France • 36 proposals • 1998–2013	• firm characteristics: firm size, debt ratio, operating and financial performance • corporate governance characteristics: board size, board independence, CEO duality • CEO equity compensation		• hedge funds target firms with less concentrated voting rights and higher institutional voting rights • CEO equity compensation is not associated with the likelihood of being targeted by a hedge fund

PANEL B: SOP Votes regulated by law

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
2010	• Conyon and Sadler • Corporate Governance: An international review	• UK • 3,312 votes in 1,039 firms • 2002–07	• executive compensation: Directors' Remuneration Report resolution, executive pay	• executive compensation	• investors are more likely to vote against Directors' Remuneration Report (DRR) resolutions compared to non-pay resolutions • shareholders are more likely to vote against general executive pay resolutions, such as stock options, long-term incentive plans and bonus resolutions compared to non-pay resolutions • firms with higher CEO pay attract greater voting dissent • little evidence that CEO pay is lower in firms that previously experienced high levels of shareholder dissent • little evidence that the fraction of CEO equity pay, representing owner-manager alignment, is greater in such firms
2011	• Cai and Walkling • Journal of Financial and Quantitative Analysis	• USA • 113 SOP proposals • 2006–08	• executive compensation: PPS, • other corporate governance characteristics: outside directors, CEO duality, outside director stock ownership, board size, busy directors • shareholder: independent institutional holdings, • firm characteristics: total assets, book-to-market ratio, leverage, ROA, stock return	• firm characteristics: CAR • corporate governance: outside directors appointed by CEO, busy outside directors, outside directors stock holdings, corporate governance index, entrenchment index, mutual fund holdings	• implementation of SOP is linked with a positive market reaction for firms with high abnormal CEO compensation, low PPS and responsive to shareholder pressure • activist-sponsored SOP target large firms, not those with excessive CEO pay, poor governance or poor performance • the market reacts negatively to labor-sponsored proposal announcements and positively when these proposals are defeated
2011	• Clarkson et al. • Journal of Contemporary Accounting & Economics	• Australia • 240 ASX listed firms • 2005–2009	• executive compensation: PPS	• executive compensation: PPS	• PPS increase, with the increased sensitivity of reported CEO remuneration to firm performance being primarily related to enhanced remuneration disclosure and the non-binding shareholder vote on the remuneration report.
2011	• Ng et al. • Journal of Corporate Finance	• USA • 680 proposals in	• executive compensation: shareholder approved equity plans • firm characteristics: ROA, stock	• executive compensation	• firms with shareholder approved equity plans in place or those with strong performance increase their equity compensation proposal submission activity

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
		553 S&P 500 firms • 2001–05	return, market-to-book ratio		• the quality of equity compensation proposals improves in the after-regulation period and shareholders exhibit greater scrutiny and monitoring of executive compensation through increased voting rights • decline in the equity pay component while an increase in the cash component of total executive compensation after the Regulation
2012	• Balachandran et al. • Contemporary Accounting Research	• USA • 976 equity plans from 419 firms • 1992–2003	• firm characteristics: EPS and stock return • other corporate governance characteristics: CEO duality, insider ownership • shareholder: institutional ownership	• firm characteristics: EPS	• firms with worse performance (EPS and stock returns) are more likely to adopt plans without shareholder approval • firms which have CEO duality and a relatively larger proportion of insiders are more likely to not seek shareholder proposal • the presence of beneficial owners that are not institutional investors are more likely to adopt plans with shareholder approval • firms that seek shareholder approval exhibit, on average, better future performance than firms that do not obtain approval
2013	• Armstrong et al. • Journal of Accounting Research	• USA • 9,420 firms • 2001–10	• firm characteristics: revenues, book-to-market ratio, ROA, stock return • executive compensation • shareholder: dilution • other corporate governance characteristics: CEO tenure	• executive compensation	• little evidence that either lower shareholder voting support for, or outright rejection of, proposed equity compensation plans leads to decreases in the level or composition of future CEO incentive compensation • in cases where the equity compensation plan is rejected by shareholders, firms are more likely to propose and shareholders are more likely to approve, a plan the following year
2013	• Burns and Minnick • The Financial Review	• USA • 108 proposals from 76 companies • 2006–08	• executive compensation • firm characteristics: Size • other corporate governance: entrenchment index	• executive compensation	• SOP firms' total compensation to CEOs does not significantly change after the proposal • however, the mix of compensation does change: companies move away from using cash compensation toward more incentive compensation, offsetting the reduction in bonus • further, the mix of compensation of non-CEO executives changes similarly to that of CEOs. Compensation to di-

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
					rectors of SOP firms increases less than non-SOP firms • firms whose CEOs are well compensated, especially with cash-based compensation, are most likely to receive a proposal
2013	• Ertimur et al. • Journal of Accounting Research	• USA • 1,275 S&P 1500 firms • 2011	• firm characteristics: CAR and ROA • executive compensation	• firm characteristics: CAR • shareholder: future engagements • executive compensation	• proxy advisors are more likely to issue 'against' recommendation at firms with poor performance, higher levels of CEO pay and do not appear to follow a "one-size-fits-all" approach • proxy advisors' recommendations are the key determinant of voting outcome but the sensitivity of shareholder votes to these recommendations varies with the institutional ownership structure and the rationale behind the recommendation, suggesting that at least some shareholders do not blindly follow these recommendations. • more than half of the firms respond to the adverse shareholder vote triggered by a negative recommendation by engaging with investors and making changes to their compensation plans • no market reaction to the announcement of such changes, even when material enough to result in a favorable recommendation and vote the following year
2013	• Ferri and Maber • Review of Finance	• UK • 283 FTSE 250 firms • 2002–04		• firm characteristics: CAR • executive compensation: severance contracts, PPS, stock plans, annual bonus plans • other corporate governance characteristics: executive ownership	• regulations' announcement triggered a positive stock price reaction at firms with weak penalties for poor performance • negative SOP votes lead to removing controversial CEO pay practices (e.g., generous severance contracts) and increased PPS
2013	• Monem and Ng • Journal of Contemporary Ac-	• Australia • 209 firms • 2011–12		• executive compensation • firm characteristics:	• Pay changes of the CEO and the key management personnel were not significantly positively related to the stock returns of the firms that registered a 'first strike' in

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	counting & Economics			stock returns	2011 under the 'two-strikes' rule, but in in 2012.
2013	• Vesper-Gräske • German Law Journal	• Germany • 52 SOP votes from DAX30 firms • 2010–12	• approval rates compared to other general meeting items • adjustments in compensation scheme	• executive compensation scheme	• managers of large firms sponsored initial SOP votes immediately after German legislator and allow further votes once amendments of the compensation scheme were made • within the first 3 years one DAX30 firm received less than 50% approval. Not all firms react to lower approval rates
2014	• Eulerich et al. • Journal of Management Control	• Germany • 204 SOP votes from 290 firms • 2010–2013	• firm characteristics: size • shareholder: free float		• the number of companies granting a voluntary SOP votes constantly decreases after its introduction • likelihood of a votes increases with size and free float of shares.
2014	• Fortin et al. • Journal of Contemporary Accounting & Economics	• USA • 136 proposals from S&P 500 firms • 1996–2006	• executive compensation: PPS	• executive compensation: PPS • firm characteristics: abnormal stock return, buy-and-hold bond return	• performance-focused shareholder proposals rule sponsors successfully identify firms that suffer from a misalignment of managers and shareholders' interests • CEOs' PPS increases in the post-proposal period • shareholders benefit through positive stock returns as related to proposal filing dates • bondholders suffer significant negative returns and even more so for high-leverage firms.
2014	• Gregory-Smith et al. • The Economic Journal	• UK • 4,090 votes in FTSE 350 firms • 2003–12	• executive compensation	• executive compensation	• executive compensation and dissent on the remuneration committee report are positively (small) correlated. • dissent plays a role in moderating future executive compensation levels, although this effect is restricted to levels of dissent above 10% and primarily acting upon the higher quantiles of rewards.
2014	• Krause et al. • Academy of Management Journal	• USA • 93 MBA students • N.A.	• firm characteristics: shareholder return • executive compensation		• shareholders do value "pay for performance," in keeping with agency theory • however, shareholders exhibit this focus on agency normative prescriptions asymmetrically, showing loss aversion in keeping with prospect theory
2015	• Alissa • European Ac-	• UK • 217 FTSE	• executive compensation	• executive compensation	• shareholder dissatisfaction increases with excess CEO compensation

Year of publication	• **Author(s)** • **Journal**	• **Country** • **Sample** • **Year(s)**	**Input factors**	**Output factors (event studies)**	**Main significant results**
	counting Review	350 firms • 2002–12		• other corporate governance characteristics: CEO turnover	• this relationship does not exist for the expected level of compensation, suggesting that shareholders take a sophisticated approach when casting their vote • boards do not appear to respond to shareholder dissatisfaction systematically; however, they do respond selectively by reducing the excessiveness of CEO compensation when performance is poor. • probability of CEO turnover increases with shareholder dissatisfaction
2015	• Bordere et al. • Current Issues in Auditing	• USA • 36 negative majority votes in Russel 3,000 • 2011	• firm characteristics: ROA, total shareholder return • executive compensation • other corporate governance characteristics: Restatements, internal control weaknesses, audit effort (fees)		• negative SOP firms tend to perform poorly and have high CEO pay in the pre-vote period • the rejected firm sample also has weaker internal controls, as well as greater increases in audit fees in the year before the vote
2015	• Brunarski et al. • Journal of Corporate Finance	• USA • S&P 1,500 • 2011	• firm characteristics: ROA, stock return • executive compensation • other corporate governance characteristics: dividend payouts	• firm characteristics: leverage, free cash flow, firm value • other corporate governance characteristics: dividend payouts, R&D, capital expenditures • executive compensation	• overcompensated managers with low SOP support tend to react by increasing dividends, decreasing leverage and increasing corporate investment • no evidence that management's response to the vote affects subsequent vote outcomes, nor lead to a change in firm value • excess compensation increases for managers that were substantially overpaid prior to the SOP vote, regardless of the outcome of the vote
2015	• Faghani et al. • Corporate Ownership & control	• Australia • 65 (52) firms • 2012–2013	• executive compensation	• executive compensation: PPS	• for the 'first-strike' firms that avoided a 'second strike' (the treatment firms), a reduction in CEO total remuneration is positively associated with a lower level of shareholder dissent votes on the following remuneration report • treatment firms increased the proportion of CEO's PPS in the year following the 'first strike' and such an increase is negatively related to a change in shareholders' dissent level
2015	• Hitz and	• Germany		• firm characteristics:	• weak evidence of a negative market reaction to the regu-

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	Mueller-Bloch • European Accounting Review	• 1,353 firm-event observations • 2005–09		market-adjusted returns	lation • firms which were particularly affected by the regulation because board members received high abnormal remuneration experienced larger stock price discounts • positive relation between PPS and market reaction
2015	• Hooghiemstra et al. • European Accounting Review	• UK • 1,700 observations from 253 FTSE 350 firms • 2002–09	• other stakeholder: media coverage: tone of newspaper articles in seven British newspaper		• negative media coverage is able to predict shareholder discontent over say on pay • SOP voting is mainly associated with the articles from the financial and business press
2015	• Kaplan et al. • Journal of Business Ethics	• USA • 146 MBA students • N.A.	• other corporate governance characteristics: Social ties between the CEO and members of the executive compensation committee, CEO's reputation (for financial reporting and disclosures) • mediator: shareholder perceptions about fairness of the CEO compensation		• CEO Social Ties affected participants' say-on pay judgments, which were fully mediated by their perceptions about fairness of the CEO's compensation • CEO's Reputation also affected participants' say on- pay judgments, which were fully mediated by their perceptions about fairness of the CEO's compensation
2015	• Larcker et al. • Journal of Law and Economics	• USA • 2,008 firms • 2011–12	• other stakeholder: proxy advisor (ISS, Glass Lewis) • executive compensation	• firm characteristics: daily risk-adjusted return	• proxy advisory firm recommendations have a substantive impact on SOP voting • firms change their compensation programs in the time period before formal shareholder votes in a manner consistent with the features known to be favored by proxy advisory firms in an effort to avoid negative voting recommendations • negative market reaction to these compensation program changes
2016	• Balsam et al. • Journal of Accounting & Public Policy	• USA • 1,550 firms • 2001–10	• executive compensation: Compensation Discussion and Analysis (CD&A) readability, CD&A tone, CD&A visual	• executive compensation	• firms reduce compensation and make it more performance-based, with the decrease being greater for firms that previously overpaid their CEOs • SOP dissent is lower when the firm reduced executive

Year of publication	• **Author(s)** • **Journal**	• **Country** • **Sample** • **Year(s)**	**Input factors**	**Output factors (event studies)**	**Main significant results**
					compensation in advance of that initial say-on-pay vote, but higher when the firm pays higher total compensation, has a large increase in compensation, has a larger amount of compensation that cannot be explained by economic factors, or has a higher amount of ‘‘other compensation,” a category which includes perquisites • the tone and prominence of the CD&A are associated with the vote, as is the recommendation of ISS
2016	• Correa and Lei • Journal of Financial Economics	• 38 countries (worldwide) • 17,614 firms • 2001–12	• executive compensation • other corporate governance characteristics: CEO tenure, board independence	• firm characteristics: Tobin's Q • executive compensation: PPS, • other corporate governance characteristics: CEO tenure, board independence	• CEO pay growth rates decline and PPS improves after SOP law. • concentrated in firms with high excess pay and shareholder dissent, long CEO tenure and less independent boards • further, the portion of top management pay captured by CEOs is lower in the post-SOP period, which is associated with higher firm valuations
2016	• Cunat et al. • Review of Finance	• USA • 200 shareholder sponsored cases in S&P 1,500 and 500 widely held firms • 2006–10		• firm characteristics: Tobin's Q, ROE, ROA, operating return on assets, capital expenditure ratio, overheads, • executive compensation • CAR	• increases in market value and improvements in long-term profitability after SOP law • in contrast, it has limited effects on pay levels and structure
2016	• De Falco et al. • Corporate ownership & control	• Italy, Australia and USA • 120 firms • 2012–14	• shareholder: ownership concentration • executive compensation • other corporate governance characteristics: size of the compensation committee		• SOP dissent is positively correlated to the concentration of ownership in the insider system • SOP dissent is positively correlated to the variable compensation in the outsider system (America) • significance for all governance variables in the Australian context
2016	• Ferri and Oesch • Contemporary Accounting Research	• USA • 1,365 firms • 2011	• other corporate governance characteristics: Management recommendation for triennial SOP, past shareholder votes,	• executive compensation	• management recommendation for a particular frequency is associated with a 26 percent increase in voting support for that frequency (with a causal effect) • management influence varies across firms and is smaller

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
			management forecast error • executive compensation: perceived quality of the compensation practice,		at firms where perceived management credibility is lower • compared to firms adopting an annual frequency, firms following management's recommendation to adopt a triennial frequency are significantly less likely to change their compensation practices in response to an adverse SOP vote, consistent with the notion that a less frequent vote results in lower management accountability
2016	• Kaplan and Zamora • Journal of Business Ethics	• USA • 84 MBA students • N.A.	• firm characteristics: net income • other corporate governance characteristics: Meeting/beating analyst forecasts, does not include nonrecurring gains • mediator: shareholder perceptions about fairness of the CEO compensation		• shareholders will provide 'agree' SOP votes for a firm that consistently meets/beats analyst forecasts and does so when net income does not include (rather than includes) nonrecurring gains • compensation fairness perceptions fully mediate this relationship
2016	• Kent et al. • Accounting & Finance	• Australia • 711 firms • 2008	• other corporate governance characteristics: size and independence of the compensation committee		• a minority- and majority-independent remuneration committee and a committee size of at least the recommended three members are associated with lower shareholder dissent
2016	• Kimbro and Xu • Journal of Accounting & Public Policy	• USA • 2,384 firms • 2011–12	• firm characteristics: ROA, ROE, stock returns, return volatilities • executive compensation • shareholder: institutional ownership • other stakeholder • other corporate governance characteristics: insider ownership, • earnings quality (abnormal accruals)	• executive compensation	• firms with high SOP approval have better performance and returns, higher CEO ownership, lower institutional ownership, lower CEO compensation, lower return volatility and better accounting quality than do firms with high SOP dissent • shareholder discontent is associated with high or excessive CEO compensation • SOP rejection votes are more sensitive to stock and stock option compensation • boards respond to SOP rejection votes by reducing the growth of CEO compensation and shareholders respond positively to these changes by voting to approve SOP, regardless of firm performance
2016	• Stathopoulos and Voulgaris • British Journal of	• UK • 2,782 firm-year obser-	• shareholder: short-term versus long-term investor (churn ratio)		• Short-term investors are more likely to avoid expressing opinion on executive pay proposals by casting an abstaining vote.

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
	Management	vations • 2003–11			• They vote against board proposals on pay only in cases where the CEO already receives excessive pay levels. • Long-term investors typically cast favorable votes.
2017	• Belcredi et al. • Corporate Ownership & Control	• Italy • 188 firms • 2012	• firm characteristics: market–to-book ratio, firm size, ROA, stock returns • compensation: total CEO compensation, percentage variable compensation • shareholder: distribution of cash flow rights, turnout,		• Mutual and pension funds increase voting dissent when they held a small percentage of the company shares (non-blockholder). • Non-Blockholder vote less negative in the presence of ownership concentration • Institutional investors do not blindly follow proxy advisor recommendation but examine specific compensation aspects.
2017	• Cullinan et al. • Journal of Contemporary Accounting & Economics	• USA • 5,953 SOP votes • 2013–15	• firm characteristics: size, financial and non-financial performance, beta factor, sales growth • compensation: CEO compensation • corporate governance: board size, anti-takeover provisions, outside directors, ISS vote		• Firms with higher non-financial (CSR) performance receive less SOP voting dissent. • Among the three dimension of CSR (social, environmental and governance), environmental performance is the most important one.
2017	• Grosse et al. • Accounting & Finance	• Australia • 274 ASX firms with SOP strike (>25% Dissent) • 2011–12	• firm characteristics: book-to market ratio, leverage • executive compensation	• executive compensation, compensation disclosure quantity	• no association between SOP and CEO pay • strike firms have higher book to-market and leverage ratios, suggesting that the remuneration vote is not used to target excessive pay • firms respond to a strike by decreasing the discretionary bonus component of CEO pay and increasing their remuneration disclosure
2017	• Hadley • Managerial Finance	• USA • 1,237 firm years from S&P 500 • 2011–13	• firm characteristics: firm size, ROA, stock returns • compensation: Total and excess compensation, equity incentives, cash compensation • corporate governance: ISS recommendation, compensation disclosure type	• Three different alternative PPS measurements in firms' compensation disclosure	• high SOP voting dissent increases the voluntary use of alternative, supplemental PPS measures • the selection of such PPS measures affects SOP voting dissent • generally, the use of peer companies in compensation disclosure is valued most in terms shareholder support

Year of publication	• Author(s) • Journal	• Country • Sample • Year(s)	Input factors	Output factors (event studies)	Main significant results
2017	• Hooghiemstra, et al. • Accounting and Business Research	• UK • 390 firms • 2003–09	• firm characteristics: market–to-book ratio, firm size, ROA, firm age, return volatility • shareholder: institutional holdings, board holdings • compensation: under- and overpay, equity incentives, severance agreements • corporate governance: remuneration committee size, compensation consultants		• in firms with excessively paid CEOs, less readable remuneration reports cause lower SOP voting dissent • such obfuscation works only when the percentage of shares held by institutional investors is low • high obfuscation and a high percentage of shares held by institutional investors can cause higher voting dissent
2017	• Van der Elst and Lafarre • European Business Organization Law Review	• Netherlands • 413 meetings from 44 AEX and AMX firms • 2004–14	• voting items: remuneration policy, bonuses, supervisory board remuneration • shareholder: inside vs. outside shareholder • AGM minutes		• the average voting dissent is low with a mean of 5.8%. • voting dissent for bonuses is higher with an average of 12% and three rejected bonuses during the period • outside shareholder increase voting dissent mainly because of disclosure and transparency issues and to a lesser degree the selection of peer groups • shareholders express their dissatisfaction by opposing the supervisory board's discharge or re-election of the board members

III. Anlage: Can management-sponsored non-binding remuneration votes shape the executive compensation structure? Evidence from Say-on-Pay votes in Germany (Fachartikel 3)

Jörn Obermann

Abstract[1]

In this paper, a hand-selected sample of 1,676 annual general meetings with 268 management-sponsored Say-on-Pay votes in 164 different companies between 2010 and 2015 in the German two-tier system was analysed. The analysis focused on the structure, rather than the level, of executive compensation by applying a sample-selection model and panel data regression. Consistent with our hypotheses, shareholders favour long-term stock and stock option plans but oppose short-term cash-bonus payments. However, the positive effect of equity compensation decreases as the share of the total remuneration increases, suggesting that the alignment effect is limited. The negative effect of bonus payments on the voting results is stronger in cases in which the voting approval of the supervisory board is low. Thus, investors who are discontent with the bonus payments eventually punish the supervisory board in charge of negotiating the contract. The supervisory board reacts to such cases by reducing the bonuses and increasing the equity payments in the following year, but the total compensation or fixed annual salary is unaffected. Hence, Say-on-Pay in Germany affects the structure but not the level of compensation. The results show that shareholders assess the entire compensation structure and prefer a particular compensation mix. However, non-binding Say-on-Pay votes help to establish compensation schemes that are favoured by shareholders.

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[1] The style, form and citation form are in accordance with the journals guidelines and may differ from the rest of the dissertation.

1. Introduction

Executive compensation has received much scholarly attention (e.g., Devers et al. 2007; van Essen, Otten, and Carberry 2014) during the previous decade. The constant increases in managerial remuneration and several prominent examples of misconduct (e.g., Yermack (2006)) have led to the controversial discussion regarding whether shareholders have the power to prevent excessive remuneration or whether further regulations are needed (e.g., Harris and Bromiley 2007; Bebchuk and Fried 2004).

Among these regulations, Say-on-Pay (SOP) offers a potential remedy for compensation schemes that are perceived as poorly designed by shareholders. SOP describes a rule that enables shareholders to vote on the appropriateness of executive remuneration during a firm's annual general meeting (AGM). In 2002, the United Kingdom (UK) was the first country worldwide to introduce this SOP regulation via its Directors Remuneration Act. Other countries, including Australia (2004), the Netherlands (2004), France (2005), Germany (2009) and the USA (2010), have followed the UK's example and implemented similar laws. The European Parliament revised directive 2007/36/EC on shareholder rights in 2017 and introduced new minimum requirements for AGMs. The updated directive calls for the inclusion of SOP at least once every four years or after significant changes are implemented in a firm's remuneration policy.

While increasing shareholder oversight by governance regulations may prevent excessive compensation, the unintended consequences of these policies are unknown (Stathopoulos and Voulgaris 2015). For example, the additional obligations, such as mandatory or binding vote-casting, might cause more harm than good to firms because shareholders may interfere with the functions performed by the board of directors (Gordon 2009). Once legally granted, shareholder rights are difficult to reverse, and deregulating markets can be a time-intensive politically-driven process (Simmons 2001).

Therefore, analysing the effect of less strict SOP laws is prudent for an understanding of whether more demanding rules are actually necessary and to examine how firms' management teams use these existent, more relaxed laws. SOP regulations with non-mandatory (voluntary) votes and non-binding (advisory) results are considered less demanding. Hence, the purpose of this paper is to examine whether voluntary, advisory SOP votes can shape executives' compensation contracts according to the shareholder voting preferences.

Most studies investigating SOP have focused on high or excessive levels of CEO compensation (e.g., Alissa (2015), Balsam et al. (2016), Cai and Walkling (2011), Ertimur, Ferri, and Oesch (2013) or Kimbro and Xu (2015)) and found that abnormally high remuneration causes voting dissent. However, knowledge regarding certain elements of executive compensation, such as annual bonus payments, is limited (Grosse et al. 2015; Burns and Minnick 2013). Understanding the remuneration structure is important because CEO cash-bonuses are associated with fair value accounting choices (Shalev, Zhang, and Zhang 2014) and the extant of earnings management (Larcker, Richardson, and Tuna 2007). Consequently, the effect of voluntary, advisory SOP votes on the compensation structure, rather than on the compensation level, is examined.

The results of this analysis highlight the usefulness of voluntary SOP votes, which exhibited clear voting patterns focused on short-term bonus payments and equity compensation. Shareholders generally disagree with high ratios of short-term (annual) bonus payments, which manifests as increased levels of SOP voting dissent. This rejection is predominant in cases in which the bonus payments are high and the support for the supervisory board is low. Regarding equity compensation, restricted equity payments had a concave effect on SOP voting dissent. Hence, stock or stock options with reasonable vesting periods improved the voting outcomes, but this effect decreases as its percentage of the total compensation increases. Thus, equity incentives are beneficial but are not a panacea for all conflicts from the shareholders' perspective.

Following a vote, the supervisory boards are informed of the shareholders' criticisms and respond by reducing bonus payments and increasing equity-based compensation in the following year. This reaction supports the alignment effect of non-binding SOP votes because it helps connect shareholders' and managers' interests and demonstrates that, under certain circumstances, even voluntary SOP votes can shape executive compensation. Thus, these results challenge the recent demand for additional regulations. Moreover, they highlight the punctuated role of board supervision because single events associated with public scrutiny can foster oversight (Boivie et al. 2016; Mizruchi 1983) and suggest that supervisory boards might be better suited to addressing these irregular events than to the constant monitoring of daily business events.

This article contributes to the current scholarly literature and is important for managers and policymakers in several ways. First and foremost, this article demonstrates that voluntary management-sponsored SOP votes can shape the executive compensation structure. Prior studies, such as those conducted by Brunarski, Campbell, and Harman (2015) and Conyon and Sadler (2010), doubted the hypothesis that SOP can reduce executive compensation. This article demonstrates that the structure, but not the overall level, of compensation is systematically altered.

The article also contributes to the heterogeneity of scholarly studies investigating SOP. As emphasised by Stathopoulos and Voulgaris (2015) and Obermann and Velte (2017) in their recent reviews, most empirical studies involved US- or UK-based samples, and knowledge regarding SOP in other countries is limited. However, international heterogeneity is important in empirical studies because SOP laws significantly differ worldwide; thus, the knowledge gaps will persist until these differences are investigated (Thomas and Van der Elst 2015).

These results indicate that even voluntary non-binding SOP votes shape the structure of executive compensation and that further obligations, such as mandatory or binding votes, might be unnecessary. These results are particularly relevant for legislators within the European Union because the revised directive (2007/36/EC as of March 2017) issued by the European Parliament requires the inclusion of an SOP vote at least once every four years, but the decision to implement a binding or non-binding SOP programme is at national discretion. Understanding the effects of less demanding laws is beneficial because this understanding enables the creation of more precise and informed rules for capital market participants.

Notably, approximately 40% of the companies in the sample that sponsored an SOP programme do not use long-term incentive plans, even though their shareholders are in favour of such compensation. Thus, shareholders often demand a shift from short-term compensation towards long-term compensation; directors should be aware of this tendency if they seek to establish suitable compensation schemes. By analysing the payment structures, equity payments were found to be beneficial only to a certain extent. Altogether, this evidence helps formulate remuneration schemes that are favoured by shareholders.

2. Hypotheses Development and Literature Review

2.1 SOP Voting Dissent

The number of empirical studies investigating Say-on-Pay is limited as indicated by the SOP reviews conducted by Stathopoulos and Voulgaris (2015) and Obermann and Velte (2017). Studies analysing voting dissent typically examine either the level or the structure of executive compensation. Considering the compensation levels, shareholders tend to reject remuneration schemes that are perceived as 'too high' and, hence, 'excessive'. Regarding the board systems, various empirical studies have shown that shareholder dissent is likely to occur in cases of high management compensation in the UK (Alissa 2015; Conyon and Sadler 2010; Gregory-Smith, Thompson, and Wright 2014) and USA (Kimbro and Xu 2015; Brunarski, Campbell, and Harman 2015; Balsam et al. 2016; Morgan, Poulsen, and Wolf 2006). Executives attempting to obfuscate the high payments by decreasing the readability of remuneration reports raise additional concerns (Hooghiemstra, Kuang, and Qin 2017). However, in the German two-tier system, the correlation between high or excessive management compensation and voting dissent is either not supported (Drefahl and Pelger 2013) or only partially supported and, therefore, limited (Powell and Rapp 2015). Because the total amount of compensation does not trigger significant voting dissent in Germany, the compensation structure must be examined in greater detail.

Regarding compensation structures, principal-agent conflict and managerial rent extraction can be mitigated by performance-based payments (Jensen and Meckling 1976). On the one hand, such payments can reduce monitoring costs through incentive mechanisms and, therefore, increase SOP approval (Jensen and Murphy 2010). On the other hand, short-term incentives might be insufficient to align interests due to the existence of different time horizons. Executives can design earnings and accounting procedures that maximise their own bonus schemes rather than the firm's long-term value, as advocated by Healy (1985). More recent examples of compensation-related short-sightedness include bonus-driven stock repurchases (Cheng, Harford, and Zhang 2015; Young and Yang 2011) or the extant of earnings management (Larcker, Richardson, and Tuna 2007).

However, long-term shareholders are particularly responsible for the low rejection rates of SOP votes (Stathopoulos and Voulgaris 2016). Hence, short-term cash-bonus payments should increase voting dissent because these payments contract a congruent time horizon between shareholders and executives. Incentivising the executive to increase short-term performance will not favour the long-term orientation of shareholders. Consequently, shareholders will not approve higher levels of annual cash bonuses.

H1a: High annual cash-bonus payments increase voting dissent.

In addition to the general time issue, shareholders might disagree with the design of annual cash-bonus payments. According to Murphy and Jensen (2011), design issues are common in bonus plans and can be attributed to incorrect performance measures, poorly-related benchmarks or missing ex-post adjustments. Selecting bonus performance measures can be challenging, and various circumstances, such as the firms' strategy, innovation or performance volatility, should be acknowledged (Ittner, Larcker, and Rajan 1997). Poorly designed compensation schemes can result in 'reward for luck' (Bertrand and Mullainathan 2001, 901) by increasing short-term bonus payments due to macro-economic shocks rather than to increased managerial effort. These schemes often involve asymmetric pay-outs because managers are rewarded for good luck more often than they are penalised for bad luck (Garvey and Milbourn 2006). This problem is more pronounced in annual cash bonuses than in long-term compensation because reacting to these developments by adjusting the compensation scheme is difficult in annual cash-bonuses due to the short-term component.

In addition to the general difficulties associated with establishing proper bonus schemes, ill-designed remuneration plans can stem from collusion between the supervisory and executive board. Dah and Frye (2017) confirmed that entrenched and excessively paid CEOs are frequently associated with overpaid directors, indicating the existence of collusion between both agents. Although collusion can affect a firm's compensation structure in various ways, annual cash-bonus payments are particularly prone to this manipulation. In contrast to pension obligations or equity incentives with vesting periods, bonuses are paid immediately after the end of a financial year. Increasing fixed payments (such as cash salary disbursements) is more obvious than the application of undemanding bonus targets, poor bonus benchmarks or low pay-for-performance sensitivity schemes. An empirical analysis of compensation disclosure readability supports the assumption that managers will attempt to hide excessive payments to render their rent extraction actions less obvious (Hooghiemstra, Kuang, and Qin 2017; Laksmana, Tietz, and Yang 2012).

Notably, a firm's supervisory board is responsible for the design of bonus payments. According to German commercial law, even when a compensation committee is established, the board is permitted to delegate decisions regarding executive compensation. Because the supervisory board has the final ruling, shareholders can only disapprove of their decisions after a poorly designed bonus scheme is identified or collusion between the boards is suspected. Disapproval of the work of the board may manifest in various ways, but because the SOP vote is conducted during firms' AGMs, criticisms of the bonus scheme likely occur at the AGM. As the shareholders of German firms must vote annually on the ratification of the actions of the supervisory board, higher levels of dissent regarding this ratification vote likely reflect their criticism. Thus, SOP voting dissent due to higher bonus payments is likely predominant in cases of simultaneously higher voting dissent for the supervisory board.

According to previous studies investigating board countries, shareholders sanction non-executive directors in cases of excessive executive compensation. Cai, Garner, and Walkling (2009) found increased voting dissent for directors who approve excessive CEO compensation during re-election votes, particularly for those directors who held a seat in the executive compensation committee.

> *H1b: The negative effect of annual cash-bonus payments is stronger in cases of simultaneously high voting dissent for the supervisory board.*

Additionally, long-term incentives, such as stocks or stock options with vesting periods, are more likely to suit the long-term goals of shareholders. This assumption is supported by empirical evidence; while unrestricted stocks or stock options increase voting dissent (Kimbro and Xu 2015; Alissa 2015), restricted equity compensation does not trigger shareholder rejection (Conyon and Sadler 2010). Thus, firms tend to avoid controversial stock option agreements and use restricted instruments (Conyon 2014). This change is reflected in governance regulations; By introducing the SOP law in 2009, German legislation increased the legal minimum vesting period for stock options from two years to four years. During the first year of the SOP practice in the German two-tier system, equity-based compensation had a slightly positive impact (Eulerich, Rapp, and Wolff 2012); however, the sample size was limited, and the methodology used was not highly sophisticated. Thus, in the German setting, equity compensation is generally beneficial as a result of the required minimum vesting periods.

Despite this positive effect, forcing risk-averse agents to accept substantial payments that are beyond their full control can cause problems. For instance, managers bind their undiversifiable human capital to the firm and may be unwilling to accept further commitment (Zajac and Westphal 1994). Therefore, a risk premium, which might, in turn, increase the fixed compensation or bonuses for mediocre performance (Dittmann, Maug, and Zhang 2011), is needed. Accordingly, a lower proportion of fixed salary to total compensation is negatively associated with total compensation and, therefore, decreases voting dissent (Balsam et al. 2016).

Due to risk-aversion, the intense use of equity incentive schemes can cause unintended problems. For example, stock or stock option-based payments increase the likelihood of misreporting (Burns and Kedia 2006; Armstrong et al. 2013; Zhang et al. 2008) and option backdating (Heron and Lie 2007). Powerful CEOs can use their influence over the board to re-price their underwater options (Pollock, Fischer, and Wade 2002), and investors might suffer from dilution due to newly-issued management stocks (Brandes, Goranova, and Hall 2008). Because aggressive accounting practices (Desai, Hogan, and Wilkins 2006) and disclosed material financial restatements (Arthaud-Day et al. 2006) increase CEO turnover, the misuse of equity schemes bears the same risk. Consistently, Alissa (2015) reported that high voting dissent facilitates CEO turnover. Therefore, the financial incentive to cheat, as measured by the proportion of equity compensation to total payments, must be sufficient to justify this risk. Until this threshold is reached, executives are more likely to align their interests to allow the incentive mechanism to function.

Altogether, shareholders favour equity incentives only up to a certain extent, and then, the risk-premium and executives' willingness to misuse the compensation class might outweigh the alignment benefit. As Chaigneau (2014) demonstrated theoretically, manager's risk aversion and their specific utility function can create the need for concave incentive contracts. Thus, restricted stocks or stock option-based compensation should have a positive, concave effect on voting dissent.

H2: Equity compensation reduces voting dissent with decreasing effects.

2.2 Impact of Say-on-Pay on the Compensation Structure

Voluntary SOP voting during AGMs is a powerful instrument that can be used to alter executives' compensation for two reasons. First, early studies investigating the role of monitoring of corporate boards indicated that punctuated, irregular events are most likely to result in disciplinary actions (Mizruchi 1983). In contrast to a system of constant supervision, such events allow for the precise mitigation of information barriers because these events are rare and, therefore, accompanied by increased shareholder scrutiny, thus leading to temporary stipulated collaboration within the board (Boivie et al. 2016). These rare events are able to foster effort in the supervisory board, and the board members are more willing and likely to invest time and intellectual resources to achieve a single/unique goal. Thus, voluntary voting might be more efficient than an annual mandatory SOP.

Second, public outrage is among the few mechanisms able to curb ill-designed pay packages (Bebchuck and Fried 2003). A remuneration vote is well-suited to the creation of public outrage because it results in a 'simple, highly visible metric' (Cuñat, Giné, and Guadalupe 2016, 2). Although directors can ignore SOP voting dissent, this inaction is likely to raise indignation among shareholders, and these directors are likely to receive less support in their re-election vote. Less shareholder support for re-elections is accompanied by meaningful consequences and can increase turnover and initiate the loss of committee seats or outside directorships (Cai, Garner, and Walkling 2009). Hence, management-sponsored and non-binding votes can halt managerial rent extraction because these votes focus attention on the remuneration policy and concentrate the shareholders' attention on the board in cases in which the high voting dissent is disregarded.

Various studies have examined the effect of non-binding shareholder voting on executive compensation. Shareholder-initiated proposals serve as disciplinary instruments that lead to higher overall performance (Morgan and Poulsen 2001), fewer potentially inefficient acquisitions (Cuñat, Gine, and Guadalupe 2012), higher pay-outs (Brav et al. 2008) and lower overhead and capital expenditure costs (Cuñat, Giné, and Guadalupe 2016) in the following periods. Furthermore, firms reduce excess compensation (Kimbro and Xu 2015), cut short-term bonus payments (Grosse et al. 2015) and increase long-term equity incentives (Burns and Minnick 2013) in response to shareholder disagreement. The reduction in excess compensation is more pronounced in companies with an overall poor market or operational performance (Alissa 2015) and does not affect high but economically justified levels of remuneration (Ertimur, Ferri, and Muslu 2011). Importantly, these effects are not trivial. Brav et al. (2008) estimated that compared to the activities of peer companies, hedge fund activism decreases CEO payments by one million USD annually. Martin and Thomas (2005) specifically analysed management-sponsored proposals and found the following moderate effect: higher levels of voting dissent caused by dilutive equity plans can reduce the extent of further payments.

Considering the empirical results and theoretical predictions of shareholder voting, supervisory boards likely react to voting dissent by altering compensation structures in such a way that is beneficial to investors.

H3a: High voting dissent leads to reduced bonus payments in the following year.

H3b: High voting dissent leads to increased equity payments in the following year.

3. Sample, Descriptive Statistics and Methodology

3.1 Sample Selection

In Germany, the first AGM season that enabled voluntary SOP votes occurred in 2010. A company can be listed in the German stock exchange under the following three different segments: the Entry Standard, the General Standard and the Prime Standard. The sample included in this study is based on the German Prime Standard because this segment is subjected to the highest disclosure rules and is the only one that requires firms to provide reports in both German and English.

All companies listed in the German Prime Standard in financial years 2009–2014 (2,096) were included, and doubly-listed firms (91) and stocks with foreign identification numbers (ISIN 158) were excluded. Firms with foreign ISIN do not have a principle office in Germany and are, therefore, not subjected to German SOP legislation. This approach resulted in 1,847 firm years. Then, the AGM minutes were reviewed manually, and 281 votes were found. Hence, only 15.3% of the AGMs actually included a vote.

However, an additional 171 firm years with 13 SOP votes were excluded due to missing date. The final sample is displayed in Table 1 and comprises 1,676 firm years with 268 SOP votes in 164 different companies over six years. This sample is larger than those used in previous German studies (Eulerich, Rapp, and Wolff 2012; Drefahl and Pelger 2013) and similar to those utilised in US-based studies investigating proxy votes (e.g., Del Guercio and Hawkins 1999; Ferri and Sandino 2009; Cai and Walkling 2011).

Prior literature suggested that institutional investors use abstentions to express their discontent and indicate their willingness to vote against the following proposal in the absence of action (Ferri and Maber 2013). Abstentions also suggest that voters have reservations about the proposal because their vote does not follow the management's recommendation (Sauerwald, van Oosterhout, and Van Essen 2016). Hence, abstentions are counted together with no votes, which is consistent with previous empirical studies (Ferri and Maber 2013; Hooghiemstra, Kuang, and Qin 2017; Sauerwald, van Oosterhout, and Van Essen 2016).[1] Shareholder dissent is calculated as

$$\text{SOP\_DISS} = \frac{\text{number of against votes} + \text{number of abstentions}}{\text{total number of votes}} * 100.$$

	2010	2011	2012	2013	2014	2015	Overall
Firms (Prime Segment)	376	363	364	346	325	322	2,096
Foreign ISIN	30	29	28	24	23	24	158
Double Listed	17	17	16	15	13	13	91
Remaining	329	317	320	307	289	285	1,847
Missing Data	35	30	31	26	25	24	171
Sample	294	287	289	281	264	261	1.676
SOP Votes	103	64	31	23	24	23	268
Mean Dissent	8.2	10.7	9.7	13.1	8.9	7.2	9.4
Std. Deviation	11.9	15.0	12.9	11.9	10.3	6.2	12.4

Table 1: Number of stock companies listed in the German Prime Standard at the end of the year, number of firms with foreign ISIN and double listings, number of missing observations, number of SOP votes in the sample, mean voting dissent ((against + abstain) / total votes) * 100 and standard deviation of the dissent.

3.2 Methodology

The occurrence of an SOP vote is a binary variable, while the voting outcome and its subsequent effects are continuous variables that are only observable following an SOP vote during an AGM. Therefore, the continuous regression is based on the outcome of the binary regression. Such models are commonly referred to as Type-II Tobit models. A two-step approach was used in which the selection model was first estimated, following by the inclusion of the Inverse Mills Ratio, which was calculated according to Heckman (1979), in the voting dissent and voting effect models This procedure is necessary to avoid a potential selection bias.[2]

Selection model: The target characteristics of the SOP frequency contain longitudinal and cross-sectional dimensions; thus, a binary panel-data model is necessary. A population-averaged (PA) logistic regression was selected as the main estimator, with robust standard errors clustered at the firm level. The PA estimator distinguishes between the averaged firm that granted an SOP and the averaged firm without an SOP. This distinction is important because the selection model is included to identify firms that are typically expected to grant a vote. The PA estimator averages the observations at the company level over time, which is logical due to the nature of the data. According to this sample, companies tend to either maintain a period of three to four years between SOP votes or hold no vote. This finding might be due to the tenure of a CEO contract, which typically lasts for more than one year in Germany; therefore, firms likely ask for feedback once a new contract is due. Thus, averaging over time at the company level should be useful.[3]

Voting dissent and the voting effect model: For the fixed-effects estimator only, observations that change during the sampling period contribute to the estimation of the regression coefficient. All time-invariant but individual specific effects drop after the within transformation. The data reveal an average frequency of 1.6 votes, with nearly half of the observations accounting for only a single vote. Changes in time are expected to be rare in this case, and half of the companies could be excluded by the fixed-effects estimator. Moreover, dissent due to constant deviation from best practices or specific permanent effects related to the industry sector are inconsequential, which could cause misleading results because the compensation structure is usually driven by peer companies in the same industry sector (Faulkender and Yang 2010; Porac, Wade, and Pollock 1999). Therefore, a random effects (RE) estimator appears to be more appropriate. To control for heteroscedasticity, Huber-White robust standard errors are used in all regressions. As reported in previous studies (Iliev et al. 2015), the standard errors are clustered by industrial sector to control for correlations within a certain area of business.

3.3 Variables

Compensation structure: To analyse the management board compensation structure and address hypotheses H1a, H1b and H2, the remuneration sections of each annual report were reviewed. Due to the two-tier system, the board contains only executive managers. Consistent with prior studies (e.g., Cuñat, Giné, and Guadalupe 2016; Clarkson, Walker, and Nicholls 2011), payments made as entire executive board compensation are separated into the following four tranches: 1) fixed cash, 2) short-term cash bonuses (annual), 3) stock and stock option-based compensation and 4) other compensation, including severance payments. Thus, the variables of interest, i.e., short-term cash bonus (%_BONUS) and equity payments (%_EQUITY), are measured as a percentage of the total compensation. To test the non-linear relationship of equity compensation indicated in H2, the squared ratio of equity payments (%_EQUITY_SQ) was included. Altogether, both terms (%_EQUITY + %_EQUITY_SQ) can explain the concave curve.

Because firms might have multiple forms of pay-outs, the equity compensation category is used as the equity category when at least one aspect of the pay-out is based on stock or stock option performance. Because the stock granting year does not usually match the cash flow year, the granting date and the corresponding amount of provisions are used; Kimbro and Xu (2015) showed that shareholders consider granted remuneration rather than cash pay-outs. To ensure that the equity payments are not subjected to managerial myopia, the vesting periods are also examined. The mean vesting period for equity instruments is 3.3 years; thus, problems arising from dissimilar time horizons are unlikely to occur.

Payments to former members of the board are not considered since these payments are usually not a part of the current remuneration scheme. Additionally, consistent with prior studies (e.g., Clarkson, Walker, and Nicholls 2011), pension payments are excluded because not all companies explicitly report post-retirement payments and, among the reporting firms, certain firms disclose the net changes in the pension provisions rather than the granted amount of the final pension payments.

The supervisory board voting approval is included to identify the poorly designed bonus schemes. In the German governance system, shareholders assess the work of the supervisory board by an annual vote at the AGM. This vote formally confirms the legal ratification of the board's actions during the year. The rejection rates of this annual vote to approve the supervisory board are collected according to the SOP voting dissent ((against + abstain) / total votes) and labelled SB_DISSENT. Poorly designed bonus payments are identified by the interaction term, which is based on both the supervisory board dissent and the relative amount of bonus payments (SB_DISSENT * %_BONUS = SBDISS_BONR). This term has the advantage of only adopting high values if both underlying measurements are high. Therefore, if the supervisory board receives high voting disapproval that is unrelated to the bonus payments (e.g., poor performance of the board), the value is low. The same applies to justified overall high bonus levels (e.g., caused by superior firm performance), and, therefore, these high bonus levels do not trigger the rejection of the supervisory board approval vote. Altogether, the interaction term should identify cases of high bonus payments that raise the concerns of shareholders (i.e., concerns that such payments are not justified).

To measure the impact on the compensation structure, a lagged value (LAG_DISSENT) was created. The change in compensation type is measured according to prior studies as the growth margin (Cuñat, Giné, and Guadalupe 2016) and, for bonus compensation (BONUS_CHANGE), is calculated as follows:

$$\text{BONUS\_CHANGE} = \frac{\text{total bonus payments}_{t} - \text{total bonus payments}_{t-1}}{\text{total bonus payments}_{t-1}} * 100$$

Using the same procedure, the change in stock and stock option-based payments (EQUITY_CHANGE), fixed-cash compensation (CASH_CHANGE) and total compensation (TOTAL_CHANGE) are then calculated.

Controls: The controls are drawn from previous studies. Blockholders are able to directly negotiate with a firm in private and settle issues through means other than public activism, hence decreasing the likelihood of SOP voting (Becht et al. 2009; McCahery, Sautner, and Starks 2016). The standardised Herfindahl-Hirschman Index

(HHI) is used as a proxy for ownership concentration. Notably, the HHI is frequently employed in studies as a measurement of shareholder concentration (e.g., Burns and Kedia (2006)). This index is calculated based on the percentages of shares held by the 100 largest shareholders of each company in the sample. Limiting the number of shareholders is important because the data availability is higher for large firms. Including all shareholders could systematically bias the index. A higher HHI reflects concentrated ownership and, therefore, decreases likelihood of SOP.

Particularly large firms are affected by shareholder activism and proxy voting (Burns and Minnick 2013; Bethel and Gillan 2002; Cai and Walkling 2011). This finding can be attributed to higher public scrutiny due to media focus or the higher costs of engaging with shareholders by other means, and the ownership structure of such firms tends to be broader. The total assets (TA) serve as a size indicator that should be positively correlated with the voting probability.

The firms' cash flows are also important because the allocation of free cash flow is a substantial source of agency problems, particularly in low growth companies, because reinvestment in the firm is not efficient (Jensen 1986). Moreover, Hooghiemstra, Kuang, and Qin (2015) demonstrated that low market-to-book values increase subsequent voting dissent. Therefore, both the cash flow per share (CFPS) and the market-to-book ratio (MTB) are included as measurements of growth. To avoid higher SOP dissent, managers are less likely to sponsor a vote if the free cash flow is high or growth opportunities are low. Hence, the CFPS is expected to be negatively associated, while the MTB is expected to be positively associated, with the SOP voting likelihood. The leverage ratio (LEV) is also used because this ratio can moderate the cash flow problem, as indicated by Cziraki, Renneboog, and Szilagyi (2010). Higher-leveraged firms have fewer problems related to cash flow allocation and enjoy greater monitoring by debt holders. Hence, the voting likelihood is positively associated with leverage.

The total shareholder return (TSR), which is measured by calendar year, is also introduced because managers are more inclined to allow a vote if their prior performance was good (Bethel and Gillan 2002; Morgan and Poulsen 2001; Balachandran, Joos, and Weber 2012). Thus, a higher firm performance should positively contribute to the SOP voting probability.

Year indicators are used because earlier studies investigating German SOP indicate that voting occurred at a higher frequency during the first two years post-regulation (Eulerich, Kalinichenko, and Theis 2014) and because shareholder voting behaviour evolves over time (Monem and Ng 2013; Morgan, Poulsen, and Wolf 2006). The industry sector is represented by the first digit of the four-digit SIC code. Certain industries are regulated more intensively than other industries, which increases monitoring by official bodies and decreases managerial discretion (Finkelstein and Hambrick 1990). Restricting managerial discretion affects potential entrenchment and agency costs because the range of opportunities to extract rents is reduced. Additionally, as argued above, a 'peer-company' effect may exist at the industry level.

Regarding the voting dissent estimations, a dummy variable (DUAL) is used to capture firms with dual class shares. These firms typically issue preference and ordinary shares. Preference shares usually earn higher dividends but are excluded from voting rights. These constructs are frequently used by former insiders, such as the initial founders and their families, to gather outside capital while avoiding participation rights (Gompers, Ishii, and Metrick 2010). Therefore, these constructs should decrease voting dissent because voting investors are likely to also control the firm.

Finally, the manual review of the compensation sections in the annual reports indicates that bonus payments are often linked to dividend pay-outs. Hence, the change in dividends per share (DPS) is included in the testing of the SOP voting dissent effects. DPS should be positively associated with the changes in bonus payments and changes in total payments.

The shareholder, balance sheet and stock market data are obtained from Thomson Reuters DataStream and Eikon. To avoid the influence of single outliers, all ratios and the TSR are winsorised at the 1% level. All variables are summarised in Table 2.

Name	Description
Voting:	
DISSENT	Shareholder voting dissent calculated as (against + abstain) / total and winsorised at the 1% level.
LAG_DISSENT	One year lagged DISSENT.
SB_DISSENT	Shareholder voting dissent on the annual ratification vote of the actions of the supervisory board, calculated as (against + abstain) / total and winsorised at the 1% level.
Controls:	
TA	Total Balance Sheet assets at the end of the financial year.
LOG_TA	Natural logarithm of TA.
HHI	Standardised Herfindahl-Hirschman index of the 100 largest shareholders per company by the end of the financial year.
CFPS	Cash flow per share.
MTB	Market-to-Book ratio, winsorised at the 1% level.
LEV	Leverage Ratio, winsorised at the 1% level.
TSR	Total shareholder return, winsorised at the 1% level.
YEAR	Dummy variable for the year of the SOP vote.
SIC	Dummy variable for the first digit of the standard industrial classification code of the company.
DUAL	Dummy variable for firms with dual class shares (ordinary and preference shares listed).
IMR	Inverse Mill Ratio
DPS	Change in dividends per share.
Compensation Structure:	
%_BONUS	Percentage of bonus payments, calculated as the percentage of compensation paid in annual cash-bonuses to total compensation.
SBDISS_BON	Interaction term calculated as BONUS_R * SB_DISSENT.
%_EQUITY	Percentage of equity payments, calculated as the percentage of compensation paid in equities, stock appreciation rights, phantom stocks or similar constructs to total compensation.
%_EQUITY_SQ	The squared EQUITY_R.
CASH _CHANGE	Change in fixed cash compensation calculated as $(\text{cash payments}_{t} - \text{cash payments}_{t\text{-}1})/\text{cash payments}_{t\text{-}1} * 100$.
BONUS _CHANGE	Change in bonus compensation calculated according to the change in fixed cash compensation.
EQUITY _CHANGE	Change in equity compensation calculated according to the change in fixed cash compensation.
TOTAL_CHANGE	Change in total compensation calculated according to the change in fixed cash compensation.

Table 2: Definitions and calculations of the variables.

4. Results

4.1 Uni- and Bivariate Results

Table 3 displays the control variables, compensation structure and interaction terms. As shown in the figures, the firm size and performance are widely dispersed, even following the winsorisation of the data. For example, the TA range from two million Euros to over two billion Euros. This dispersion is also observed in the other indicators, such as the total investor return. While one company lost nearly 90% of its market capitalisation (TSR -0.87), another company's market capitalisation doubled (TSR 2.0). Therefore, all results are tested both with and without potential outliers.

Table 4 depicts the pairwise correlations of all variables included in the regression analysis. The matrix indicates significant correlations. Notably, the firm size and bonus ratios appear to be highly correlated with other independent variables. Although multicollinearity might be an issue, the mean variance inflation index (VIF), which is tabulated for each regression shown in Tables 5 and 6, does not raise a concern.

	Number	Mean	Minimum	Maximum	25%-Percentile	Median	75%-Percentile	Standard Deviation
Voting Dissent								
SOP_DISS	268	9.297	0.002	62.361	1.677	4.941	10.425	12.079
SB_DISS	268	2.554	0.000	24.679	0.121	0.753	2.583	4.633
Controls								
TA	1676	20,291	2.000	2,164,103	101	360	2,222	126,841
CFPS	1676	2.695	-10.061	34.156	0.220	1.265	3.541	5.175
LEV	1676	80.77	-283.71	885.03	10.21	42.37	97.62	137.79
MTB	1676	2.082	-1.870	12.281	0.955	1.533	2.444	2.057
TSR	1676	0.183	-0.868	2.025	-0.109	0.123	0.413	0.463
DPS	1667	0.031	-1.800	1.550	0.000	0.000	0.100	0.365
HHI	1676	0.363	0.017	1.000	0.153	0.300	0.515	0.262
DUAL	1676	0.048	0.000	1.000	0.000	0.000	0.000	0.215
Compensation Structure								
%_BONUS	268	0.007	0.000	0.109	0.000	0.002	0.007	0.016
SBDISS_BON	268	0.326	0.000	0.779	0.182	0.335	0.472	0.198
%_STOCK	268	0.124	0.000	0.580	0.000	0.026	0.229	0.157
%_STOCK_SQ	268	0.040	0.000	0.336	0.000	0.001	0.052	0.069

Table 3: Total assets (TA) in million Euro, cash flow per share (CFPS) in Euro, firms' leverage ratio (LEV), the market-to-book value (MTB), total investors return (TSR) and annual change in dividends per shares (DPS), Herfindahl-Hirschman-Index for ownership concentration (HHI) and a dummy indicating double listings (DUAL). Compensation structure includes the percentage of payments in short-term bonus (%_BONUS), the percentage of payments in stock or stock options (%_STOCK) and its squared term (%_STOCK_SQ) and an interaction term of supervisory board dissent and bonus ratio (SBDISS_BON). Voting results include SOP voting dissent (SOP_DISS) and supervisory board voting dissent (SB_DISS), both in percentages. All ratios are winsorised at the 1% level.

	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	12)	13)	14)
1) SOP_DISS	1.0													
2) SB_DISS	0.287*	1.0												
	0.000													
3) TA	0.039	0.164*	1.0											
	0.527	*0.007*												
4) CFPS	-0.060	-0.094	0.168*	1.0										
	0.331	*0.123*	*0.006*											
5) LEV	0.010	0.028	0.463*	0.051	1.0									
	0.873	*0.648*	*0.000*	*0.406*										
6) MTB	-0.074	-0.140*	-0.167*	-0.151*	-0.098	1.0								
	0.229	*0.022*	*0.006*	*0.013*	*0.108*									
7) TSR	0.020	-0.050	-0.040	0.110	-0.015	0.229*	1.0							
	0.749	*0.419*	*0.516*	*0.074*	*0.802*	*0.000*								
8) DPS	0.021	-0.045	0.032	0.132*	0.007	0.107	0.1827*	1.0						
	0.727	*0.460*	*0.598*	*0.031*	*0.915*	*0.080*	*0.003*							
9) HHI	-0.242*	-0.137*	-0.170*	-0.110	-0.105	0.097	-0.043	-0.011	1.0					
	0.000	*0.025*	*0.005*	*0.072*	*0.088*	*0.113*	*0.479*	*0.860*						
10) DUAL	-0.145*	-0.092	-0.018	0.200*	0.056	0.040	0.081	0.061	0.155*	1.0				
	0.018	*0.135*	*0.769*	*0.001*	*0.358*	*0.519*	*0.187*	*0.323*	*0.011*					
11) %_BONUS	0.172*	-0.104	-0.153*	0.117	-0.214*	0.132*	0.192*	0.269*	-0.054	0.197*	1.0			
	0.005	*0.090*	*0.012*	*0.055*	*0.000*	*0.030*	*0.002*	*0.000*	*0.376*	*0.001*				
12) SBDISS_BON	0.374*	0.748*	-0.052	-0.057	-0.069	-0.046	0.088	0.086	-0.097	-0.012	0.249*	1.0		
	0.000	*0.000*	*0.399*	*0.354*	*0.259*	*0.458*	*0.153*	*0.162*	*0.113*	*0.839*	*0.000*			
13) %_EQUIT	-0.084	-0.021	0.341*	0.289*	0.120*	-0.129*	-0.071	-0.057	-0.204*	0.020	-0.247*	-0.108	1.0	
	0.171	*0.727*	*0.000*	*0.000*	*0.049*	*0.035*	*0.250*	*0.349*	*0.001*	*0.750*	*0.000*	*0.078*		
14) %_EQUITY_SQ	-0.053	0.010	0.419*	0.269*	0.140*	-0.126*	-0.045	-0.082	-0.179*	0.009	-0.279*	-0.101	0.937*	1.0
	0.387	0.870	0.000	*0.000*	*0.022*	*0.039*	*0.464*	*0.183*	*0.003*	*0.887*	*0.000*	*0.100*	*0.000*	

Table 4: Pairwise correlation matrix with effect size (above) and significance levels (below) in italics, *p<0.05.

4.2 Voting Likelihood (Selection Model)

This section discusses the results of the logistic selection estimator within the two-step regression model, as shown in Table 5, Panel A. The firms' size (LOG_TA) and market-to-book ratio (MTB) are associated with positive and significant coefficients, while dispersed ownership decreases the SOP likelihood. TA are consistent with the stated expectation that size is related to public scrutiny. Additionally, the effect size of the total balance sheet assets is relatively large. Holding all variables at their means results in a voting likelihood of 10.9%, while increasing the TA by one standard deviation doubles the SOP likelihood to 21.8%.

Notably, the HHI and MTB have smaller effect sizes. For example, decreasing the ownership concentration (HHI) by one standard deviation results in a 13.7% voting likelihood (+2.8%). However, size and ownership concentration are negatively and significantly correlated. Thus, the effects of both indicators are likely to accumulate within a firm. The negative HHI indicates that blockholders might pursue means other than public voting to enforce their demands, which is consistent with prior studies, because powerful blockholders act 'behind the scenes' (McCahery, Sautner, and Starks 2016). The positive association between voting occurrence and the MTB value is consistent with managers' practice of sponsoring votes when the firms' prospects are good and expected dissent is low.

All year dummies (untabulated) are significant and negative, since the number of SOP votes decreases over time. Managers likely used SOP during the first few years after the regulation became effective and then only scheduled a vote when deemed necessary or after planning changes in the compensation policy. The selection model is used for all estimations of the voting dissent and is outlined in Table 5, Panel B.

Panel A: SOP Selection Equation

Regression	No. 1	No. 2	No. 3	No. 4	No. 5
	SOP	SOP	SOP	SOP	SOP
LOG_TA	0.345***	0.345***	0.345***	0.345***	0.345***
	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)
HHI	-1.008***	-1.008***	-1.008***	-1.008***	-1.008***
	(0.363)	(0.363)	(0.363)	(0.363)	(0.363)
CFPS	-0.013	-0.013	-0.013	-0.013	-0.013
	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)
LEV	-0.001	-0.001	-0.001	-0.001	-0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
MTB	0.092**	0.092**	0.092**	0.092**	0.092**
	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)
TSR	-0.036	-0.036	-0.036	-0.036	-0.036
	(0.174)	(0.174)	(0.174)	(0.174)	(0.174)
Year & SIC			Included		
CONS	-5.094***	-5.094***	-5.094***	-5.094***	-5.094***
	(0.716)	(0.716)	(0.716)	(0.716)	(0.716)
Adj. Pseudo-R^2	25.1	25.1	25.1	25.1	25.1
Mean VIF	3.7	3.7	3.7	3.7	3.7
N (uncensored)	1,676	1,676	1,676	1,676	1,676

Panel B: SOP Voting Dissent Model

%_BONUS		11.766***	5.871		
		(3.882)	(4.243)		
SBDISS_BON			262.517***		271.164***
			(68.999)		(68.553)
%_EQUITY				-37.312***	-35.685***
				(9.723)	(11.079)
%_EQUITY_SQ				53.426***	58.207***
				(16.616)	(20.467)
DUAL	-6.255***	-7.504***	-6.964***	-6.476***	-6.598***
	(1.267)	(1.609)	(1.851)	(1.374)	(1.768)
IMR	-2.275*	-1.404	-2.03	-3.895***	-3.768***
	(1.177)	(1.376)	(1.472)	(1.194)	(1.377)
YEAR & SIC			Included		
CONS	10.175***	6.457***	6.050***	16.075***	12.449***
	(1.203)	(1.884)	(2.091)	(1.438)	(1.621)
N (censored)	268	268	268	268	268
R-Sq in %	6.0	9.2	19.9	9.5	21.4
VIF mean	2.1	2.5	2.5	3.7	3.5

Table 5 Panel A: Logistic population-averaged panel regression with robust standard errors. Dependent variable (SOP) equals 1 if an SOP vote occurs. Independent variables: natural logarithm of total assets (LOG_TA), standardised Herfindahl-Hirschman Index of the 100 largest shareholders (HHI), cash-flow per share (CFPS), leverage ratio (LEV), market-to-book value (MTB), total annual investors return (TSR), year dummies (YEAR) and industry-classification dummies based on the first digit SIC code (SIC). Adj. Pseudo R^2 is according to McFadden's adj. Pseudo R2 formula. Mean VIF is the mean variance inflation factor of all variables. N (uncensored) is the number of observations.

Panel B: Ratio of bonus payments to total payments (%_BONUS), ratio of equity-based payments to total payments (%_EQUITY) and its squared term (%_EQUITY_SQ), an interaction term based on supervisory board dissent and the bonus ratio (SBDISS_BON), dummy variable indicating double listed firms (DUAL) and the inverse mills ratio (IMR) according to Heckman 1978, as calculated from Panel A. Number of censored observations (outcome model), overall pseudo R^2 and the mean variance inflation factor of all variables. Standard errors are in parentheses. Significance levels: * p<0.10 ** p<0.05 *** p<0.01.

4.3 Voting Dissent Model

All major results regarding the effect of the compensation structure on voting dissent (H1a, H1b and H2) are shown in Table 5, Panel B. The first regression included only the controls and Inverse Mills Ratio (IMR), which was calculated from the selection model shown in Panel A. This variable is significant only in the control model (regression 1) and final regression 5 and is negatively associated with shareholder disagreement. Thus, selection factors, such as size and shareholder structure, tend to be associated with a lower voting dissent. Consistent with the assumption that firms with preference shares have lower voting dissent because voting shareholders are most likely company insiders (Gompers, Ishii, and Metrick 2010), the variable DUAL is negatively correlated with SOP dissatisfaction.

The effects of annual bonus payments (H1a) and the interaction term (H1b) are analysed in two consecutive steps. First, the bonus ratio is only tested in regression 2. Subsequently, the bonus ratio and interaction term are included in regression 3. This process ensures that the SOP dissent is not driven solely by the bonus ratio. Regression 4 calculated the equity compensation effect, and finally, regression 5 included all significant variables to test the potential interactions.

Regression 2 indicates the effect of bonus payments on voting dissent. The bonus payment variable is statistically significant at the 1% level and confirms the positive association between annual bonus payments and voting disapproval. This finding supports H1a (high bonus payments increase voting dissent) and the argument regarding the differing time horizons between shareholders and executives and potential myopic bonus-driven behaviour. However, the economic impact is quite low. Decreasing the relative amount of bonus compensation (%_BONUS) by 10 percentage points leads to an increase of voting dissent from 9.3% (all variables at their mean) to 10.5% (+1.2%).

Regression 3 introduces an interaction term between the bonus ratio and supervisory board dissent (SBDISS_BONR). Importantly, the single bonus ratio term loses its entire statistical power due to the interaction term. SBDISS_BONR is significant ($p < 0.01$) and increases the explaining power, which is measured as R^2, from 9.2% to 19.9%. According to regression 3, an increase in bonus payments by 15 percentage points in terms of total compensation and an increase in supervisory board dissent by 10 percentage points increases voting dissent by approximately 0.15 * 0.10 * 262.5 = 3.9%. Although the economic effect appears small, the underlying factor varies between 0% and 78%. In summary, H1b (the effect of bonus payments is stronger in cases of poorly designed bonus schemes) is supported.

To test H2 (equity compensation reduces voting dissent with decreasing effects), the ratio of equity payments (%_EQUITY) and its squared term (%_EQUITY_SQ) were included in regression 4 (Table 5, Panel B). Both proxies are statistically significant at the 1% level. The positive sign of %_EQUITY shows that stock and stock option compensation are generally beneficial to compensation schemes. Since the squared term has a negative sign, this positive effect decreases as the relative amount of equity compensation increases. If a company with no equity-based compensation increases its equity-based compensation to 10%, the compounded impact of %_EQUITY and %_ EQUITY _SQ would affect SOP voting approval by +3.2%. However, the positive impact is only valid until the equity payments reach their optimum; Specifically, the positive impact is observed at equity compensations below 69.8% of the total compensation. However, the threshold should not be applied mechanically because compensation contracts do not follow a 'one-size-fits-all' approach (Hou, Priem, and Goranova 2017). This relationship supports the hypothesis that shareholders prefer equity compensation to bonus payments but are at least partially aware of its negative consequences to risk-averse managers. Furthermore, while equity incentive schemes are beneficial, these schemes are not a panacea for all alignment problems.

4.4 Model of Voting Effects

The final hypotheses, i.e., H3a (high voting dissent leads to reduced bonus payments in the following year) and H3b (high voting dissent leads to increased equity payments in the following year), address the changes in the remuneration structure after an SOP vote. The following four independent variables were used to test the effects of voting dissent: the percentage change of fixed cash (CASH_CHANGE), short-term cash-bonuses (BONUS_CHANGE), equity-based compensation (EQUITY_CHANGE) and total compensation (TOTAL_CHANGE) after an SOP vote. These variables are regressed on lagged voting dissent (LAG_DISSENT), changes in DPS, the IMR, year and industry dummies. According to a meta-analysis conducted by van Essen, Otten, and Carberry (2014), blockholders shape executive compensation; hence, the HHI is included separately. The number of observations varies because the SOP votes from the current season do not yet have a lagged value, and the percentage change in a particular compensation type can only be calculated for years in which these compensation payments occurred. The results are shown in Table 6.

According to regressions 2 and 3, boards react to higher rejection rates by reducing bonus payments and increasing equity-based payments, but cash and total payments are not systematically affected. Regarding equity compensation, none of the firms exceeded the threshold calculated in section 4.3, and the mean ratio of the equity compensation is 23%. Hence, further increases remain beneficial from a shareholder's perspective. The results are statistically significant at the 1% level for bonus payments and the 5% level for equity compensation. With respect to the magnitude of the changes, a 10% increase in voting dissent subsequently reduces the mean bonus increase from 17.7% to 9.7% (i.e., by almost half). Certain firms receive >40%

voting dissents and report subsequent changes at a median of -30%. Among the controls, the DPS are positively correlated with the bonus payments as indicated by a review of annual reports. Thus, supervisory boards appear to use dividend pay-outs as a metric of annual bonus payments.

Overall, these results are consistent with previous studies indicating a growing stock price sensitivity to executive compensation following further shareholder scrutiny (Clarkson, Walker, and Nicholls 2011) and decreases in short-term bonus payments (Grosse et al. 2015). According to Burns and Minnick (2013) and Balsam et al. (2016), this change is subject to SOP voting dissent.

Interestingly, regression 4, which is shown in Table 6, does not indicate any changes in the total compensation. This result supports the hypothesis that the compensation structure might matter more than the total compensation value (Jensen and Murphy 2010), which may explain the seemingly absent effects of SOP on total executive compensation in prior studies (e.g., Brunarski, Campbell, and Harman 2015 or Armstrong et al. 2013). Thus, SOP might not be efficient in reducing total or excessive payments in this specific setting, but it could be used to shape the structure of compensation into a configuration that is more beneficial to shareholders.

This result supports the alignment effect, which acknowledges that shareholders' and boards' interests can be connected by remuneration votes. Moreover, boards can act as efficient monitors, at least during punctuated events with public scrutiny.

	Independent variable:			
	CASH_CHANGE	BONUS_CHANGE	EQUITY_CHANGE	TOTAL_CHANGE
LAG_DISSENT	0.104	-0.795***	2.369**	-10.438
	(0.174)	(0.221)	(1.062)	(21.484)
DPS	0.021	0.491**	-0.304	7.752
	(0.035)	(0.212)	(0.188)	(5.347)
IMR	-0.040*	-0.159*	-0.489***	-3.606
	(0.021)	(0.089)	(0.188)	(4.877)
HHI	-0.006	0.113	0.816	-14.051
	(0.065)	(0.207)	(0.872)	(19.528)
SECTOR YEAR	Included			
_cons	-0.019	0.371*	0.289	1.149
	(0.030)	(0.211)	(0.392)	(5.776)
N	249	228	125	249
R-Sq in %	8.8	10.6	17.3	10.1
VIF mean	2.8	2.8	2.6	2.8

Table 6: Random effects regression with the percentage change of cash payments (CASH_CHANGE), bonus payments (BONUS_CHANGE), equity-based payments (EQUITY_CHANGE) and total payments (TOTAL_CHANGE) aftern a SOP vote as the dependent variable. Independent variables are lagged voting dissent (LAG_DISSENT), change in dividends per share (DPS), the inverse mills ratio (IMR), as calculated in Table 5, Panel A and the Herfindahl-Hirschman Index of the 100 largest shareholders (HHI). The standard errors are robust and clustered on industry level, and displayed in parentheses. Significance levels: * p<0.10 ** p<0.05 *** p<0.01. R-Sq is the overall (pseudo) R-Squared in percentage. VIF mean is the mean variance inflation factor of all variables.

5. Conclusions and Future Studies

In this paper, the effect of voluntary, non-binding SOP votes on executive compensation in a two-tier system was analysed. In a preliminary step, a selection model was applied to avoid a sample selection bias. The examination of a six-year panel covering 1,676 AGMs with 268 management-sponsored SOP votes in 164 different companies revealed that an SOP system is particularly likely to be used by large firms with favourable growth opportunities without blockholders. These results are consistent with prior studies investigating management-sponsored remuneration votes (e.g., Balachandran, Joos, and Weber 2012; Eulerich, Kalinichenko, and Theis 2014). Although the model accounts for agency theory-based indicators, such as ownership structure and cash flow, is the model is unable to fully explain the voting probability. Therefore, a potential avenue for further inquiry involves an exploration of the reasons firms schedule a voluntary SOP. Exploring the shareholder structure by the number of shares invested is only a preliminary step because this approach does not account for the heterogeneity among the shareholders. Certain institutional investors, such as mutual funds, are well-known activists that might be more likely to successfully demand a vote than passive investors, such as banks and insurance companies (Del Guercio and Hawkins 1999).

The second step entailed an analysis of shareholders' voting dissent by focusing on the compensation structure rather than the compensation level. While prior studies were unable to establish a general connection between voting dissent and compensation level in a two-tier system (Drefahl and Pelger 2013), these results indicate that the compensation structure is important. More precisely, shareholders reject short-term cash-bonus payments and favour long-term restricted equity incentives; however, the positive consequence of equity incentives weakens as its ratio increases.

Simply tying bonus payments with annual performance appears to be insufficient because short-term bonuses do not match shareholders' investment horizons (Stathopoulos and Voulgaris 2016). There are several solutions to this problem. For example, firms might use deferrals and issue bonuses only after executives meet an earnings benchmark for two or three consecutive years or allow for ex-post adjustments only as necessary (Murphy and Jensen 2011). These procedures should weaken the incentive for myopic behaviour.

Considering the supervisory board, shareholder dissent is more prevalent in cases of high bonus payments and simultaneous high voting dissent for the supervisory board. Because the supervisory board is in charge of negotiating annual bonuses, the existence of poorly designed incentive schemes leads shareholders to be dissatisfied with the work of the board in such instances. Shareholders oppose the supervisory board due to higher bonus payments for several reasons. Bonus payments are frequently tied to firms' dividend pay-outs, and investors likely prefer other indicators, such as market or operational performance. Another explanation involves collusion between the supervisory and executive boards. Shareholders may assume that both boards are joining forces and turning against the shareholders by approving excessive compensation packages. Bonus payments are frequent vehicles of excessive compensation because high bonuses for mediocre performance are less obvious than high fixed salaries and, therefore, are less risky for the agent than high long-term equity incentives. Importantly, once excessive compensation is detected by shareholders or the media, SOP voting dissent increases (Hooghiemstra, Kuang, and Qin 2015).

Supervisory boards respond to dissenting votes by reducing bonus compensation and increasing equity payments in the following year. Thus, the SOP can be used as an instrument to align the principals' and agents' interests, which is consistent with prior studies investigating the effect of SOP on the compensation structure (Burns and Minnick 2013). This effect can be attributed to the publicity of the voting results since it presents a 'simple, highly visible metric' (Cuñat, Giné, and Guadalupe 2016, 2) and can also be ascribed to the voluntary nature of the vote and, hence, the punctuated role of board supervision. Supervisory boards might be better suited to monitor irregular events during which they may overcome monitoring obstacles related to the obtaining, processing and sharing of information (Boivie et al. 2016) when addressing one single task; future studies exploring board supervision should focus on such punctuated events rather than on constant monitoring.

The concave effect of equity compensation supports the theoretical work conducted by Chaigneau (2014) and highlights the ambiguous result of incentive alignment. On the one hand, restricted long-term equity payments are beneficial; on the other, they are no panacea for all problems, since this type of compensation eventually reduces voting support once it exceeds a certain threshold. Executives demand a high-risk premium for contingency payments that can, in turn, trigger voting dissent due to the presence of higher overall payments. According to Balsam et al. (2016), fixed salaries reduce voting dissent because they are associated with lower compensation. Alternatively, higher levels of equity stakes enable managers to exercise additional power, which can be used to adjust the compensation policy in their favour (e.g., Bebchuk and Fried 2004, 2006). Altogether, the cause of this ambiguous effect is unclear, but the voting patterns indicate that equity payments should be examined in further detail.

Since an optimum of incentive-based payments exists for the two groups (shareholders and executives), further investigations should focus on identifying the contingencies related to this target. Separating payments into annual cash bonuses and equity compensation packages, which was performed in this paper, is only the initial step; for example, companies can link executive compensation to long-term, accounting based key performance indicators. These details are important because characteristics, such as pay-performance-sensitivity, are not equally favoured by all shareholders (Shin and Seo 2011). Although the results of this study indicate the payments that are beneficial overall, this study did not examine the differences among investor groups. This limitation should be considered in future studies, and a more in-depth examination of the effects of investor heterogeneity on the compensation structure and subsequent voting outcomes should be conducted. In this sample of German SOP firms, approximately two-thirds of all shareholders hail from outside Germany; indeed, these shareholders are mostly US and UK-based institutional investors. This shareholder structure indicates that similar preferences should also exist in other capital markets.

Finally, these results indicate the usefulness of voluntary voting, thus challenging the need for mandatory or binding forms of SOP. Firms that choose to grant a vote voluntarily or are forced to hold a vote by shareholders tend to incorporate the voting results even if they are non-binding. To properly value this result, the regulatory environment must be emphasised; the European Parliament revised the minimum requirements for AGMs, including SOP voting, in its directive 2007/36/EC in 2017. Additionally, Australia has introduced a law known as the 'two-strike rule' whereby boards that receive more than 25% voting dissent for two consecutive years must hold a re-election vote if demanded by the majority of shareholders. Regulators worldwide are increasing the pressure by enhancing shareholder rights, but less strict regulations may also be effective. Binding laws bear the risk of destroying existing efficient contracts within a firm. Thus, increasing governance requirements for all firms can have adverse consequences; indeed, negative market reactions have been observed in response to recent regulations in the USA (Larcker, Ormazabal, and Taylor 2011) and Germany (Hitz and Müller-Bloch 2015). Obtaining additional insight into voluntary and non-binding voting can lead to the implementation of knowledge-based regulations that are more flexible and better suited to each individual firm.

Appendix

I. Robustness Checks

Lennox, Francis, and Wang (2012) noted that sample selection models can be fragile under certain conditions. Therefore, this robustness section focuses on the changes in all three of the following estimators: a) the SOP Selection Model, b) the SOP Dissent Model and c) the SOP Voting Effects model. Further untabulated tests are described at the end of this section.

Table 7 shows the changes in the selection model (a) and the voting dissent model (b). The descriptive statistics indicate a relatively small intra-class correlation index (rho < 0.10). The differences among PA, RE and pooled models are relatively low at such low rho levels. Therefore, regression 1 is a pooled Heckman maximum likelihood selection model with robust standard errors. Compared to the panel estimator discussed in the main section, the pooled model does not utilise the time component of the sample.

In regression 2, a logistic RE probit, rather than a PA logistic, regression is applied and is followed by an RE regression with clustered standard errors at the industry level for the outcome equation. Regression 3 uses the same estimator for the selection equation as that used in regression 2, but regression 3 performs a pooled quantile regression for the outcome equation. The quantile regression optimises the least squares with respect to the median rather than the mean, as does ordinary least squares. Since the median of the dependent variable is less sensitive to outliers than the mean, quartile regressions should be more robust. Finally, the conditional mixed process estimator published by Roodman (2011) is used in regression 4 because it has the advantage of a flexible design and can consider double-truncated points.

The impact of the lagged voting dissent on the changes in the compensation structure is displayed in Table 8. For simplicity, only the changes in the bonus and equity-based payments are calculated because the other categories (cash and total compensation) are not included in the hypotheses. The above-mentioned robustness tests begin with pooled ordinary least squares estimators (regressions 1 and 2), followed by pooled quantile regressions (regressions 3 and 4). The ordinary least squares estimator uses robust, firm level clustered standard errors. Finally, a PA estimator with robust standard errors is used (regressions 5 and 6).

Expectedly, the regression coefficients, standard errors and statistical significance vary among the models and the results presented in this article. However, all major results from the selection and voting dissent models are confirmed.

Additional untabulated robustness checks are also conducted. First, the measurements of the variables are adjusted. For example, the changes in the compensation elements are calculated as the natural logarithm minus the previous year logarithm (Ferri and Sandino 2009). The total cash compensation (fixed and short-term bonus) is used instead of short-term bonuses alone (Conyon and Sadler 2010). Voting dissent is calculated without abstentions as (against/for) or (against/against + for), and the natural logarithm of the ratios is also applied (Bethel and Gillan 2002; Ertimur, Ferri, and Muslu 2011). The first digit in the SIC code is replaced by the eighth Super Sector Classifications, as published by the German Stock Exchange. Market-based proxies, such as the TSR, are changed to accounting-based variables, such as return on assets. Total revenues and market capitalisation are used as size measurements.

The two-year lagged voting dissent is tested to exclude a potential reversal. Firms might be inclined to initially adjust voting dissent but reverse the change in the long term. However, no effects of reversal were observed in this sample. Finally, 42 observations of CEO turnover after a vote are excluded to test whether the compensation adjustments are driven by changes in top management.[4] All results are comparable to the tabulated robustness test. Although the coefficients, standard errors and significance levels constantly change, the overall predictions remain stable.

Panel A: SOP Selection Equation

Regression	No. 1	No. 2	No. 3	No. 4
	SOP	SOP	SOP	SOP
LOG_TA	0.190***	0.206***	0.206***	0.191***
	(0.020)	(0.026)	(0.026)	(0.021)
HHI	-0.628***	-0.582***	-0.582***	-0.548***
	(0.176)	(0.201)	(0.201)	(0.178)
CFPS	-0.008	-0.009	-0.009	-0.007
	(0.008)	(0.009)	(0.009)	(0.008)
LEV	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)
MTB	0.050**	0.058**	0.058**	0.053***
	(0.020)	(0.026)	(0.026)	(0.020)
TSR	-0.045	-0.044	-0.044	-0.038
	(0.091)	(0.106)	(0.106)	(0.095)
Year & SIC	Included			
CONS	-2.831***	-3.127***	-3.127***	-2.878***
	(0.355)	(0.467)	(0.467)	(0.361)
N (uncensored)	1,676	1,676	1,676	1,676

Panel B: SOP Voting Dissent Equation

	DISS	DISS	DISS	DISS
SBDISS_BON	267.253***	271.206***	240.554***	271.088***
	(69.332)	(68.187)	(34.359)	(71.453)
%_EQUITY	-27.673**	-36.159***	-20.874*	-22.507*
	(12.235)	(10.743)	(11.046)	(12.781)
%_EQUITY_SQ	43.226	58.526***	38.717	40.228
	(29.939)	(20.232)	(23.997)	(31.539)
DUAL	-6.107	-6.647***	-3.401*	-5.748***
	(1.373)	(1.774)	(1.932)	(1.774)
IMR		-6.929***	-2.929*	
		(2.512)	(1.771)	
YEAR & SIC	Included			
CONS	12.487***		8.120**	7.506
	(3.516)		(3.867)	(2.978)
N (censored)	268	268	268	268

Table 7: Estimator in regression 1) Heckman maximum-likelihood selection model, 2) panel probit and panel RE regression model, including the inverse mills ratio, 3) panel probit and pooled quantile regression model and 4) 2-level truncated CMP model.

Panel A: Dependent variable (SOP) equals 1 if an SOP vote occurs. Independent variables: natural logarithm of total assets (LOG_TA), standardised Herfindahl-Hirschman Index of the 100 largest shareholders (HHI), cash-flow per share (CFPS), leverage ratio (LEV), market-to-book value (MTB), total annual investors return (TSR), year dummies (YEAR) and industry-classification dummies based on the first digit SIC code (SIC).

Panel B: Ratio of bonus payments to total payments (BONUS_R), ratio of equity-based payments to total payments (%_EQUITY) and its squared term (%_EQUITY_SQ), an interaction term based on supervisory board dissent and the bonus ratio (SBDISS_BON), dummy variable indicating double listed firms (DUAL) and the inverse mills ratio (IMR) according to Heckman 1978, as calculated from Panel A. Significance levels: * p<0.10 ** p<0.05 *** p<0.01

	No. 1	**No. 2**	**No. 3**	**No. 4**	**No. 1**	**No. 2**
	BONUS _ CHANGE	EQUITY _ CHANGE	BONUS_ CHANGE	EQUITY_ CHANGE	BONUS_ CHANGE	EQUITY_ CHANGE
LAG_DISSENT	-0.795***	2.778**	-0.819*	5.250***	-0.688**	2.777*
	(0.221)	(1.032)	(0.481)	(1.878)	(0.298)	(1.494)
DPS	0.491*	-0.310	0.286*	-0.141	0.381	-0.31
	(0.212)	(0.221)	(0.169)	(0.364)	(0.243)	(0.197)
HHI	0.113	0.999	-0.154	0.552	0.252	0.998
	(0.207)	(0.875)	(0.294)	(0.916)	(0.221)	(0.751)
IMR	-0.159	-0.437*	-0.108	-0.334	-0.187*	-0.437*
	(0.089)	(0.211)	(0.105)	(0.321)	(0.108)	(0.228)
SECTOR YEAR	Included					
_cons	0.538	0.557	1.056**	0.017	0.644	0.178
	(0.437)	(0.807)	(0.421)	(1.170)	(0.441)	(0.570)
N	228	125	228	125	228	125

Table 8: Regression 1–2) pooled ordinary least squares, 3–4) pooled quantile regressions, 5–6) population averaged panel regression. Dependent variable: percentage change of bonus payments (BONUS_CHANGE) or equity payments (EQUITY_CHANGE) after an SOP vote. Independent variables are lagged voting dissent (LAG_DISSENT), DPS and the IMR, as calculated in Table 5. Significance levels: * p<0.10 ** p<0.05 *** p<0.01.

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[1] Different measurements are discussed in the robustness section.

[2] Changes in the estimator are demonstrated in the robustness section.

[3] Please note that the conditioning of a fixed-effects logistic estimator in the given sample requires that firms have at least one vote to contribute to the sample. Firms with no votes consequently do not contribute. Eliminating these observations could systematically bias the sample because the reason for not scheduling an SOP is unknown.

[4] This subsample of 42 CEO turnovers after an SOP vote is also used to test for the effect of high voting dissent on CEO turnover. The results were not significant and hence contrasted with other articles, such as (Alissa 2015).

IV. Anlage: Let’s talk about money! Assessing the link between firm performance and voluntary Say-on-Pay votes (Fachartikel 4)

Jörn Obermann

Abstract[17]

With the UK Directors’ Remuneration Act and the US Dodd-Frank Act, a decent amount of research has examined so-called *Say-on-Pay* votes in countries where they are legally mandatory. In contrast, little is known about countries such as Germany or Canada that operate a voluntary Say-on-Pay system. In a voluntary SOP system, the firms’ managers can decide whether to sponsor a vote or not and it is unclear how this decision and the subsequent voting dissent is influenced by firm performance. In order to reduce this research gap, this paper analysed a hand-selected sample from Germany covering 1,841 annual general meetings between 2010 and 2016. The results indicate that voting likelihood is positively associated with the relative market valuation of the firm (Tobin’s Q) as long as the firm meets/beats analyst earnings forecasts and is negatively associated with free cash-flow when the firm fails the forecasts. Only large companies with dispersed ownership or superior CSR-performance grant a vote when they do not meet/beat the forecasts. Once the vote is cast, voting dissent is lower for firms that meet/beat their forecasts and have high free cash-flows or high market valuations. However, shareholders do not reward high CSR-performance with less voting dissent. Overall, the results emphasize the importance of financial performance for SOP voting likelihood and voting dissent.

Under Review in Journal of Business Economics

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[17] The style,form and citation form are in accordance with the journals guidelines and may differ from the rest of the dissertation.

1. Introduction

The rise of executive compensation and prominent cases of excessive remuneration are ongoing debates in the academic community (van Essen et al. 2014). The number of corporate governance laws related to top management compensation has increased after the financial crises and, among these laws, the Say-on-Pay (SOP) regulation is a prominent example (Lieder and Fischer 2011). SOP refers to a rule that enables shareholders to vote on the propriety of executive compensation during a firm's annual general meeting.

An SOP vote can be triggered in three different ways: 1) demanded by shareholders through proxy proposal rules, 2) required by law, or 3) voluntarily sponsored by the firm's management. With respect to the first, shareholders can use proxy proposal rules such as the US 14a-8 rule of the Securities Exchange Act of 1934. Similar laws exist in the UK and continental Europe (Cziraki et al. 2010). Literature reviews by Göx and Ferri (2018), Obermann and Velte (2018), Denes et al. (2016) and Goranova and Ryan (2014) emphasize the growing importance and increasing effectiveness of shareholder activism on executive compensation.

SOP votes have increasingly become legally mandatory. Initially introduced in the UK with the Directors' Remuneration Report Act in 2002, mandatory SOP has since gained international acceptance. Other countries, such as Australia (2004) and the USA (2010), have followed the UK's example by introducing similar rules. Subsequently, a reasonably high number of articles have investigated SOP in mandatory regimes (Alissa 2014; Balsam et al. 2016; Fisch et al. 2018; Stathopoulos and Voulgaris 2015).

In contrast, relatively little is known about the third category: voluntary management-sponsored SOP votes. Such non-mandatory SOP regimes exist, for example, in Canada and Germany. As the review by Obermann and Velte (2018) emphasizes, nearly two-thirds of empirical articles on SOP used samples from the USA or UK, both of which apply a mandatory regime. Consequently, insights into SOP votes in non-mandatory regimes remain fragmented.

In particular, results on how firm performance influences executives' decisions to grant a vote and shareholder voting patterns are incomplete. It is important to understand the role of firms' financial situations because performance is, aside from executive compensation itself, the most important driver of SOP results (Balsam et al. 2016; Gillan and Starks 2000; Kimbro and Xu 2015).

The purpose of this paper is to reduce this research gap by examining the effect of financial and non-financial performance on voting likelihood and voting results. Performance is measured in three different ways: first, by using Tobin's Q as market-based valuation of the firm; second, by applying the free cash-flow per share as an accounting-based proxy; and third, by incorporating the firm's corporate social responsibility (CSR) performance. Additionally, the sample is divided between firms that meet/beat analyst forecasts and those that fail. The proxies are tested with a hand-collected sample of 1,841 annual general meetings between 2010 and 2016 from the German Prime Standard Market. The German sample was selected because it is one of the few countries with voluntary, rather than mandatory, votes.

The results indicate that meeting/beating analysts' forecasts is classified as a signalling mechanism that separates successful from unsuccessful firms. Successful firms are more likely to grant a vote when market-based performance, proxied by Tobin's Q, is also high. In contrast, managers in firms that fail to meet analysts' earnings forecasts avoid an SOP, particularly when the free and undistributed cash-flow per share is high. Among the group of firms that fail to meet the forecasts, only those that are large, have a dispersed ownership or superior CSR-performance scheduled an SOP.

Once the vote is cast, shareholders cast fewer negative votes in firms with higher free cash-flow and higher Tobin's Q as long as the firm met/beat the analysts' forecasts. However, financial performance does not affect voting dissent for firms that failed to meet/beat the forecasts. The results do not indicate that CSR-performance reduces SOP voting dissent.

These findings are important because they indicate that SOP might be used as a disciplinary mechanism for inferior financial achievements rather than an instrument to identify and improve excessive remuneration schemes. Managers seem to be aware of this problem and consequently manage the timing of a voluntary SOP to correspond with superior firm performance. This supplements prior results reported by Göx and Ferri (2018) who emphasize that firms reform compensation practices prior to SOP votes. The implications of these findings for the SOP regulation together with its limitations and potential areas for future research are discussed in the paper.

2. Literature review and hypotheses development

The number of countries with mandatory SOP votes, such as the UK and the USA, has increased worldwide, and only a few countries now allow their executives to decide whether to sponsor a vote or not (Thomas and Van der Elst 2015). Germany is among these few regimes, as its government introduced a voluntary and non-binding SOP in 2009. Previous research on Germany has indicated that most firms either scheduled an SOP immediately after the regulation became effective or once major amendments to the remuneration schemes are made (Vesper-Gräske 2013).

In particular, large companies (Obermann 2018) listed in prominent indexes, such as the DAX30, use this instrument more often (Eulerich et al. 2014). Larger firms have more dispersed ownership which means a proxy vote is an efficient way to receive shareholder feedback related to executive compensation. As a result, the majority of empirical research has reported a positive correlation between dispersed ownership and SOP voting likelihood (e.g. Eulerich et al. 2014; Powell and Rapp 2015). Powell and Rapp (2015) have also observed that inside ownership decreases the number of SOP votes. This can be explained by the increased managerial power that arises from equity holdings and the private access to the firms' managers that insider owners have.

However, firm performance does not seem to affect voting likelihood in German samples. Results from return on equity (Eulerich et al. 2014), total annual stock return (Obermann 2018), and earnings before interest and after taxes divided by total assets (Powell and Rapp 2015) were not significant in previous research. This is surprising given that managers are likely to face low voting dissent in times of good firm performance. Several articles from US and UK-based samples, such as Alissa (2014), Balsam et al. (2016) and Gillan and Starks (2000), report decreasing SOP dissent in cases of high firm performance.

This missing link for the German samples may be caused by the selected performance proxies. Previous research on executive compensation emphasized the importance of analyst forecasts. These forecasts affect executive compensation because they are frequently used as a benchmark for a CEO's annual cash bonuses

(Indjejikian et al. 2014). Missing analyst earnings forecasts in two or more following quarters reduces CEO bonus payments (Matsunaga and Park 2001). In contrast, meeting analyst forecasts results in a positive equity premium that reflects not only current earnings but also incorporates the fact that firms which consistently meet earnings forecasts experience higher future earnings (Kasznik and McNichols 2002). Unsurprisingly, investors are aware that the market punishes firms that fail earnings forecasts even if only by a small margin (Skinner and Sloan 2002). Consequently, meeting/beating the forecast is an important signalling mechanism and shareholders are likely to examine this performance metric.

Kaplan and Zamora (2016) initially established the link between SOP votes and meeting/beating forecasts. Their laboratory experiment demonstrates that shareholders are more likely to vote in favour of an SOP when the firm meets/beats analyst forecasts and the average voting dissent more than doubles from 30% to 63% when the firm fails to consistently meet/beat the forecasts. Consequently, it seems likely that executives anticipate the imminent voting dissent of their shareholders in such situations and postpone any SOP. However, Kaplan and Zamora (2016) also emphasize that meeting/beating forecasts plays a mediating role between different performance metrics. Although the stand-alone meet/beat forecast result does make a difference, the magnitude of its effect is increased when combined with other financial performance proxies.

Therefore, analyst forecasts serve as a mediator between different performance proxies. As a result, testing financial performance needs to be done with a wide range of indicators. Therefore, three different proxies are tested: 1) market-based performance, 2) cash-flow/accounting-based performance and 3) CSR-performance.

1) Using a market-based performance proxy which incorporates stock market data is important because institutional investors, such as mutual funds or investment funds, have a fiduciary duty towards their clients to maximize their wealth. As a result, these investors are interested in the current market performance of the firm. Market-based performance can also account for potential growth opportunities. These growth opportunities are relevant for institutional investors to justify holding a firm's shares,

instead of selling. Institutional investors are usually the largest group of shareholders (Ryan and Schneider 2002), making these arguments prominent for firms' management. Combining meeting/beating analyst forecasts and firms' market-based performance with voluntary SOP votes leads to the following first hypotheses.

> *H1a: Managers are more likely to sponsor an SOP vote when prior market-based performance was high, as long as firms was meeting/beating analyst earnings forecasts.*

> *H1b: Shareholders are more likely to vote in favour of the SOP when prior market-based performance was high, as long as the firm was meeting/beating analyst earnings forecasts.*

2) A cash-flow/accounting-based approach is used as the second proxy. A high free cash-flow is generated through operative performance and its distribution can cause a conflict of interest between executives and shareholders. Executives, on the one hand, tend to over-invest and build a managerial empire in order to strengthen their position and increase their compensation (Richardson 2006). Shareholders, on the other hand, will only be comfortable with retaining earned cash in the firm if this reinvest is expected to have sufficiently high returns. A firm exceeding analyst forecasts does have such sufficiently high returns. Thus, there is no over-investment problem. Once the firm does not meet/beat the forecast, shareholders are likely to demand pay-outs because executives may try to invest in less profitable projects. In sum, the distribution of free cash-flow will only be an issue in firms that do not meet/beat their earnings benchmarks. Executives of firms with high free cash-flow and earnings below the benchmark will avoid scheduling a voluntary SOP vote because the potential voting dissent due to free cash-flow problems is higher.

> *H2a: Managers are more likely to sponsor an SOP vote when prior cash-flow/accounting-based performance was high, as long as the firm was meeting/beating analyst earnings forecasts.*

H2b: Shareholders are more likely to vote in favour of the SOP when prior cash-flow/accounting-based performance was high, as long as the firm was meeting/beating analyst earnings forecasts.

Although firm performance is frequently focused on financial performance, non-financial aspects such as CSR-performance clearly matter to shareholders. Literature reviews conducted by Sjöström (2008), Goranova and Ryan (2014), Briscoe and Gupta (2016), Cundill et al. (2017) and Obermann and Velte (2018) emphasize the growing importance of social as well as environmental issues to shareholders. Overall, the results indicate that an increasing number of investors expect high CSR-performance and seek means of activism to improve it. The reviews also suggest that such CSR-related shareholder activism not only becomes more frequent but also more efficient as corporate executives tend to consider sustainable issues more seriously.

High CSR-performance is expected to generally increase SOP voting likelihood and decrease voting dissent because CSR-performance is accompanied by better stakeholder engagement and decreasing myopic or opportunistic managerial behaviour (Bénabou and Tirol 2010). Moreover, CSR-performance is positively related to long-term financial performance. Meta-analytical research from more than 2,000 empirical articles has emphasized that social performance (Margolis et al. 2009; Orlitzky et al. 2003), environmental performance (Albertini 2013) and combined non-financial measurements (Friede et al. 2015) are positively associated with firms' future financial outcomes. This positive link is also established for the German capital market by Velte (2017).

The only article that has connected SOP with CSR aspects has confirmed that shareholders are more likely to issue a positive voting recommendation when CSR-performance is high (Cullinan et al. 2017). However, the results could not establish a significant interaction between financial and non-financial performance. The authors conclude that, at least with respect to compensation votes, both performance metrics are unconnected and CSR-performance seems to be substitutive for financial performance, rather than complementary. This substitutive relationship is not surprising.

Commitment towards sustainability is accompanied by higher uncertainty for the firm and it can take time before positive results emerge (Aragón-Correa and Sharma 2003). For example, increasing worker wages and improving labour conditions are costly from a short-term perspective but result in positive reciprocity and strengthen financial performance in the long run (Bosse et al. 2009) and raising product prices to compensate for investments that are connected to decreasing pollution may result in decreased sales. As such, financial performance may be negatively affected in the short run although increasing the efficiency of the resources used may be profitable in the long run (Klassen and Whybark 1999).

Therefore, it seems reasonable to follow the conclusion drawn by Cullinan et al. (2017) and assume that CSR-performance can act as a substitute for financial performance. Managers may be willing to sacrifice financial performance for CSR-performance as they expect long-term returns from this strategy. Consequently, these managers are more inclined to sponsor a voluntary SOP vote when CSR-performance is superior, even when the firm does not meet/beat analyst forecasts. In line with Cullinan et al. (2017), shareholders will then react to superior CSR-performance by issuing a positive voting recommendation, even when forecasts are not met.

> *H3a: Managers are more likely to sponsor an SOP vote when prior CSR-performance was high, regardless of whether analyst forecasts were met.*
>
> *H3b: Shareholders are more likely to vote in favour of the SOP when prior CSR-performance was high, regardless of whether analyst forecasts were met.*

3. Sample, Estimator and Variables

3.1 Sample selection

The hypotheses are tested by using one sample for the estimation of SOP voting frequency (voting likelihood model) and a second sample for investigating shareholders' voting dissent (voting dissent model). The first sample covers annual general meetings scheduled between 2010 and 2016, since 2010 was the first year of voluntary SOP in Germany. The meetings usually take place in the first half of the calendar year as most German firms align their financial year with the calendar year. Therefore, the financial data ranges from 2009 to 2015. The sample covers the entire Prime Standard (2,416 firm years), chosen as it requires the highest disclosure quality and is the only segment that demands company reports in both German and English. Double listings (105 firm years) as well as firms with foreign identification numbers (184 firm years) are excluded. Another 236 firm years were lost because of missing data. After manually reviewing the AGM minutes from the remaining 1,841 observations, 280 SOP votes were identified.

The second sample for the voting dissent model begins with the 280 SOP votes. However, the second estimation requires different firm level data. In particular, board and other corporate governance variables are rare for small German stocks and hence 136 observations were excluded because of missing data. Both samples are displayed in Table 1.

Sample A	2010	2011	2012	2013	2014	2015	2016	Overall
Firms (Prime Segment)	376	363	364	346	325	322	320	2,416
Foreign ISIN	30	29	28	24	23	24	26	184
Double Listed	17	17	16	15	13	13	14	105
Remaining	329	317	320	307	289	285	280	2,127
Missing Data	36	54	43	35	31	31	56	236
Final Sample	293	263	277	272	258	254	224	1,891
SOP Votes	103	61	29	21	23	23	20	280

Table 1, Sample A: Number of stock companies listed in the German Prime Standard at the end of the year, number of firms with foreign ISIN and double listings, number of missing observations and number of SOP votes for the voting likelihood model.

Sample B	2010	2011	2012	2013	2014	2015	2016	Overall
Total SOP Votes	103	61	29	21	23	23	20	280
Missing Data	56	35	14	7	10	7	7	136
Final SOP Votes	47	26	15	14	13	16	13	144
Mean Dissent	9,4	10,3	10,9	15,7	4,9	7,5	25,4	11,2
Std. Deviation	14,4	14,1	12,4	13,3	3,0	6,1	20,1	14,1

Table 1, Sample B: Number of SOP votes, number of missing observations, mean voting dissent ((against + abstain) / total votes) * 100, standard deviation of the dissent and number of observations for the voting dissent model.

3.2 Estimator

SOP voting likelihood model: The sample is a panel with longitudinal as well as cross-sectional elements; sponsoring a vote is a binary variable. Only about half of the firms sponsor an SOP and the other half sponsored on average about 1.7 votes. A fixed-effects estimator is less efficient in such samples because only firms with at least one vote will contribute to the estimation. A population-averaged logistic regression model as the main estimator, with robust standard errors clustered on the firm level, is used for the voting likelihood model. The estimator takes an average of the observations on the company level over time. The sample indicates that the majority of companies tend to hold SOPs every three to four years. However, a few firms schedule a yearly vote and averaging on company level avoids the possibility of overestimating these firms. Once a firm scheduled an SOP vote the second-stage regression, the SOP dissent model, emerges.

SOP voting dissent model: SOP voting dissent is a continuous variable and analysed by using a random-effects panel-data estimator. To control for heteroscedasticity, Huber-White robust standard errors are included. As in previous studies (e.g., Iliev et al. 2015) the standard errors are clustered by industrial sector (first digit of the four digit SIC code) to control for correlation within a certain area of business.

The likelihood of scheduling a vote is not random as the firms' management schedule the SOP. To avoid a potential sample selection bias, the two-step Heckman selection model (Heckman 1979) was applied by calculating the Inverse Mills Ratio (IMR). The IMR is based on the results of the logistic panel-regression from the voting likelihood model and is included in the SOP voting dissent model.

3.3 Variables

1. Market-based performance: The first two hypotheses test the influence of market-based performance and success/failure in meeting/beating forecasts on SOP. The market-based performance is measured with Tobin's Q (*TOBQ*) and computed as a ratio of total market value of equity plus total debt, divided by total assets. Tobin's Q is a frequently used proxy for market-based performance and well established in business research (Deb et al. 2017).

2. Cash-flow/accounting-based performance: The free cash-flow (*FCF*) is based on earnings before depreciation and amortization, minus capital expenditures and the sum of dividends paid, divided by the number of shares outstanding. Tobin's Q and the free cash-flow were calculated according to Belghitar and Clark (2015).

3. CSR-performance: The firms' CSR-performance is proxied by the ESG Score drawn from Thomson Reuters Datastream/Asset4. Although various metrics for CSR-performance exist, the ESG Score is frequently used for the German stock market (Velte 2017; Wimmer 2012).

Meet/Beat forecasts: The difference between analyst earnings forecasts and firm performance was calculated as actual earnings per share minus analyst forecast for earnings per share. Earnings per share were selected because they are an important measurement of CEO pay contracts and easily observable by shareholders (Voulgaris et al. 2014).

Controls: The reviewed literature indicates that larger firms are more likely to grant an SOP (Eulerich et al. 2014; Obermann and Velte 2018). This association can be explained by more dispersed ownership and higher media coverage in large firms. Larger firms are also more often targeted by SOP proxy proposals (Burns and Minnick 2013). Hence, executives of larger firms may be more willing to avoid such a proxy proposal in times of poor firm performance by voluntarily granting a proposal when firm performance is high. The natural logarithm of total balance sheet assets *(LOG_TA)* was used as a size indicator.

The leverage ratio *(LEV)* was included as highly leveraged firms are likely to experience strong monitoring by debt investors. Additionally, as Cziraki et al. (2010) have indicated, highly leveraged firms have fewer reinvestment problems because capital expenditures and debt repayments decrease the free cash-flow of the firm.

The natural logarithm of the annualized volatility of the stock returns *(LOG_VOLA)* is used as a simple but visible metric for potential risk or financial distress (Campbell et al. 2011). Firms in financial distress are likely to postpone the vote.

It has been emphasized that voluntary SOP is more often used in firms with dispersed ownership (Eulerich et al. 2014; Powell and Rapp 2015) because large investors can negotiate with the management directly and in private. To account for this ownership effect, the standardised Herfindahl-Hirschman Index, based on single ownership information, is included in the model. The index has been used in prior research (Dam and Scholtens 2013) and higher values indicate the existence of blockholders *(BLOCK_HOLD)*.

For the voting dissent estimation, a dummy variable (*DUAL*) was used to identify firms with dual-class shares. Dual-class shares are used to gather outside capital while avoiding participation rights. They should, therefore, decrease voting dissent, as voting investors are likely to also control the firm. Previous research on SOP supports a negative correlation between voting dissent and unequal voting rights (Cullinan et al. 2017).

To control for shareholder dissent caused by disapprove of compensation contracts, excess compensation (*EXCESS_COMP*) was included in the voting dissent model. Excess compensation is among the most important drivers of shareholder dissent in the USA (Brunarski et al. 2015) and the UK (Hooghiemstra et al. 2017). As in previous research, such abnormally high compensation is calculated according to Core et al. (2008):

$$\text{Excess Compensation}_{it} = \text{Log(Total Compensation)}_{it} - \text{Log(Predicted Compensation)}_{it}$$

$$\text{Log(Predicted Compensation)}_{it} = \text{LOG\_TA}_{it} + \text{RET}_{it} + \text{RET}_{it-1} + \text{MTB}_{it} + \text{ROA}_{it} + \text{ROA}_{it-1} + \text{DPS\_DELTA}_{it} + \mu_{it}$$

The original model is adjusted to the German capital market; the details and the regression results are tabulated in *Appendix 1*.

Additional to excessive compensation, previous results by Obermann (2018) demonstrate a positive link between the percentage of payments in stock or stock options and SOP voting support. Therefore, the ratio of equity payments to total compensation (%EQUITY_PAY) was included in the model to account for its positive effects.

Year indicators were applied because Powell and Rapp (2015), as supported by the data in Table 1, indicate that SOP is most frequently used immediately after the regulation becomes effective. A second indicator for the firm's industry based on the first digit of the four-digit SIC code was incorporated in the regression models.

Finally, the SOP literature review by Obermann and Velte (2018) emphasizes the important board characteristics affecting SOP voting dissent. As the sample is based on a two-tier system, traditional proxies such as CEO duality or percentage of outside directors on the board are not applicable. Thus, three other proxies were incorporated: first, the mean of other corporate affiliations for the board of directors *(BOARD_AFFIL)* is included. A higher number of other affiliations demonstrate established business links and enables the board to benefit from outside knowledge while negotiating the compensation contract. Second, the degree of gender diversity of the board *(GDIV_BOARD)* is included. Adams and Ferreira (2009) emphasize that gender-diverse boards are associated with a higher pay-for-performance sensitivity for the CEO. Finally, a dummy variable *(INDIV_COMP)* includes whether the firm reports director compensation individually. Publishing only group-based compensation decreases accountability and indicates that the firm does not follow the German Corporate Governance best practice guidelines. Thus, these firms might receive higher voting dissent.

Table 2 provides a description of all variables together with their calculation procedure. Descriptive statistics of the variables used in the regression models are displayed in Table 3.

Name	Description
Dependent variable (voting likelihood model)	
SOP_DUMMY	Dummy variable indicating with 1 that an SOP vote is scheduled for the annual general meeting of the firm.
Dependent variable (voting dissent model)	
SOP_DISSENT	Shareholder voting dissent, calculated as (against + abstain) / total * 100.
Variables of interest (both models)	
TOBQ	Tobin's Q computed as the ratio of total market value of equity plus total debt, divided by total assets, winsorised at the 1% level.
FCF	Free cash-flow based on earnings before interest, tax, depreciation and amortization minus capital expenditures and the sum of dividends paid, divided by the number of shares outstanding, winsorised at the 1% level.
ESG_SCORE	1 year lagged Datastream/Asset4 score for environmental, social and governance performance.
Controls (voting likelihood model only)	
LOG_TA	Natural logarithm of total balance sheet assets at the end of the financial year.
LEV	Leverage ratio, winsorised at the 1% level.
LOG_VOLA	The natural logarithm of the annualized volatility of the stock returns.
BLOCK_HOLD	Block holdings for ownership structure based on the standardised Herfindahl-Hirschman Index and calculated for the top 100 shareholders of a firm. Higher values indicate more concentrated ownership.
Controls (voting dissent model only)	
EXCESS_COMP	Excess compensation is calculated based on Core et al. (2008) and modified according to Appendix 1.
%EQUITY_PAY	Percentage of equity-based compensation for the executive board, winsorised at the 1% level.
DUAL	Dummy variable for firms with dual class shares (ordinary and preference shares listed).
BOARD_AFFIL	Number of other corporate affiliations for the supervisory board.
INDIV_COMP	Dummy variable indicating whether compensation is disclosed individually for all board members.
GDIV_BOARD	Percentage of women on the supervisory board.
IMR	Inverse Mill Ratio calculated according to Heckman (1979) and calculated based on the controls of the voting dissent model, Table 4, Regression 1.
Controls (both models)	
YEAR	Dummy variable for the year of the SOP vote.
SIC	Dummy variable for the first digit of the standard industrial classification code.

Table 2: Definitions and calculations of the variables.

	Number	Mean	Minimum	Maximum	25%-Percentile	Median	75%-Percentile	Standard Deviation
Dependent variable (voting likelihood model)								
SOP_DUMMY	1,841	0.15	0.00	1.00	0.00	0.00	0.00	0.36
Dependent variable (voting dissent model)								
SOP_DISSENT	144	11.12	0.11	77.09	2.72	5.99	12.06	14.06
Variables of interest (both models)								
TOBQ	1,828	1.19	0.08	6.82	0.65	0.90	1.30	1.04
FCF	1,810	2.23	-10.79	34.16	0.15	1.00	2.94	4.83
ESG_SCORE	521	59.81	17.18	96.09	45.49	62.21	73.56	17.57
Controls (voting likelihood model)								
TA	1,841	21,641	2.00	2,164,103	115	460	2,580	129,519
LOG_TA	1,841	13.42	7.62	21.50	11.65	13.04	14.76	2.40
LEV	1,841	81.75	0,01	885.03	11.40	42.67	97.41	123.25
VOLA	1,841	0.40	0.08	5.40	0.28	0.35	0.46	0.25
LOG_VOLA	1,841	-1.02	-2.57	1.69	-1.28	-1.04	-0.78	0.41
BLOCK_HOLD	1,841	0.35	0.02	1.00	0.15	0.29	0.50	0.26
Controls (voting dissent model)								
EXCESS_COMP	144	0.08	-0.92	1.46	-0.25	0.07	0.38	0.43
%EQUITY_PAY	144	0.18	0.00	0.63	0.00	0.18	0.30	0.17
DUAL	144	0.13	0.00	1.00	0.00	0.00	0.00	0.34
BOARD_AFFIL	144	1.21	0.00	5.25	0.63	1.12	1.67	0.82
INDIV_COMP	144	0.65	0.00	1.00	0.00	1.00	1.00	0.48
GDIV_BOARD	144	13.72	0.00	41.18	4.77	14.64	21.58	11.19
IMR	144	1.20	0.10	2.93	0.64	1.16	1.68	0.70

Table 3: Descriptive statistics for both regression models.

4. Results

4.1 SOP Voting Likelihood Model

The first set of regressions test the effect of firm performance and meeting/beating analyst earnings forecasts on the likelihood of scheduling an SOP. Results are tabulated in Table 4. Alongside the entire sample, the table differentiates between firms that meet/beat their forecast (third row: Yes) and those which fail to do so (third row: No). The first regression, covering the entire sample, highlights that firm size is positively (*LOG_TA*, $p<0.001$) – and ownership concentration negatively (*BLOCK_HOLD*, $p<0.001$) – associated with SOP voting frequency. These patterns remain stable after distinguishing between firms that meet analysts' earnings forecasts (Regression 2) and those that fail to do so (Regression 3).

SOP Voting Likelihood Model

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	No. 9
Dependent variable	SOP_DUMMY								
meet/ beat forecasts	n/a	Yes	No	n/a	Yes	No	n/a	Yes	No
TOBQ				0.174**	0.337***	-0.044			
				(2.34)	(3.89)	(-0.38)			
FCF				-0.013	0.026	-0.065**			
				(-0.66)	(-1.35)	(-2.41)			
ESG_ SCORE							0.027**	0.013	0.039**
							(2.57)	(1.03)	(2.49)
LOG_TA	0.333***	0.334***	0.332***	0.373***	0.352***	0.416***	0.022	0.250*	-0.103
	(7.87)	(6.18)	(5.67)	(8.69)	(6.43)	(6.46)	(0.18)	(1.85)	(-0.52)
LEV	-0.001	0.001	-0.001	0.001	0.001	-0.002	-0.001	-0.001	0.001
	(-0.68)	(0.12)	(-0.83)	(-0.41)	(0.66)	(-1.18)	(-0.39)	(-0.46)	(-0.10)
LOG_ VOLA	0.29	0.187	0.374	0.343	0.234	0.376	0.283	0.247	0.239
	(1.25)	(0.58)	(1.12)	(1.45)	(0.68)	(1.15)	(0.76)	(0.43)	(0.54)
BLOCK_ HOLD	-1.260***	-1.266***	-1.285**	-1.207***	-1.211***	-1.270**	-1.421**	-1.146*	-1.999**
	(-3.36)	(-2.92)	(-2.02)	(-3.15)	(-2.73)	(-2.09)	(-2.44)	(-1.69)	(-2.01)
Year & SIC	Included								
CONS	-4.642***	-4.671***	- 4.774***	-5.277***	-5.288***	- 5.715***	-0.396	-3.114	1.13
	(-6.80)	(-5.43)	(-5.19)	(-7.39)	(-6.06)	(-5.53)	(-0.24)	(-1.61)	-0.48
Observations	1,841	961	880	1,797	933	864	521	273	248
mean VIF	4.4	4.4	4.5	4.4	4.4	4.6	8.1	8.7	8.2
Chi²	295.6	160.1	136.2	292.7	157.9	166.3	191.6	80.9	81.9
adj. Pseudo-R²	20.4	24.4	20.0	22.4	28.0	22.6	69.6	72.6	71.6

Table 4: Logistic population-averaged panel regression with robust standard errors. SOP dummy as dependent variable and independent variables for firm characteristics and shareholder structure (see variable details in Table 2). Regressions distinguish between all firms (No.1, No. 4 and No. 7), firms that meet/beat analysts' forecasts (No. 2, No. 5 and No. 8) and firms that fail to do so (No. 3, No. 6 and No. 9).

Table bottom lists the number of observations, the mean variance inflation factor of all variables (mean VIF), the Chi² statistics and the adj. Pseudo R^2 calculated according to McFadden's adj. Pseudo R^2 formula. T-values are in parentheses. Significance levels: * $p<0.10$ ** $p<0.05$ *** $p<0.01$.

Considering H1a, Tobin's Q (*TOBQ*) is significant ($p<0.05$) for the entire sample. After distinguishing between firms that meet/beat their forecasts (Regression 5) and those that fail to do so (Regression 6), Tobin's Q is positive and highly significant ($p<0.001$) only for the first group. A one standard deviation increase in *TOBQ* raises voting likelihood from 9% to 12%, all else being equal. Within the group that fails to meet/beat earnings forecasts, Tobin's Q is negative and not significant. These results supported H1a.

The free cash-flow proxy (*FCF*) shows similar results. While the entire sample (Regression 4) did not yield significant results, Regression 6 in Table 4, which contains only firms which did not meet/beat forecasts, indicates a negative link ($p<0.05$) between free cash-flow and SOP voting frequency. One standard deviation increase of the firms' free cash-flow decreases the probability of an SOP by 3%. This association generally supports H2a.

The last three regressions (7 to 9) test the effect of CSR-performance. According to H3a, a positive correlation between CSR-performance and SOP voting likelihood is expected in all three regressions. The *ESG_SCORE* is significant for the entire sample ($p<0.05$) as well as for the sample of firms that fail to meet/beat analyst earnings forecasts ($p<0.05$) but is not significant for firms that meet/beat the forecast. Thus, the hypothesis is only partially supported. The effect size is relatively large compared to other variables: a firm in the 75^{th} percentile has a 14% higher probability of an SOP vote compared to a firm in the 25^{th} percentile. However, the ESG_SCORE is highly correlated with other firm characteristics (mean VIF increases to >8) and conclusions must be drawn with caution.

4.2 Voting Dissent Model

The second set of regressions test the effect of performance and analyst earnings forecasts on SOP voting dissent. Results are tabulated in Table 5. The sample is again separated into three sub-samples: 1) all firms 2) firms that meet/beat forecasts and 3) firms that fail to do so. With respect to the controls in Regression 1 (full sample), equity-based compensation (*%EQUITY_COMP,* $p<0.001$) decreases voting dissent. This is in line with agency theory as it suggests that equity compensation can mitigate the conflict of interests. None of the other proxies are constantly significant. It is worth noting that the Inverse Mill Ratio is significant (*IMR* $p<0.05$) in Regression 1, indicating that a selection bias is prevailing in this sample.

The effect of Tobin's Q is tested in Regressions 4 to 6. The results emphasize that firms with higher market-based performance receive less voting dissent but only when they simultaneously meet/beat analysts' forecasts. Increasing *TOBQ* by one standard deviation reduces voting dissent by nearly 4 percentage points. This is a relatively large effect, considering the average voting dissent of 11.2%. Separating the sample by using analyst forecasts not only increases estimation reliability (from $p<0.10$ to $p<0.001$), but also doubles the effect size of *TOBQ*.

H2b is also supported; shareholders are more likely to vote in favour of the SOP when the free cash-flow is high, as long as the firm meets/beats analyst earnings forecasts. The free cash-flow (*FCF*) is significant for the full sample ($p<0.05$) and, once the sample is divided, the positive outcome of free cash-flow is only observable for firms that meet/beat their earnings forecasts ($p<0.01$). Increasing *FCF* by one standard deviation for firms that meet/beat their earnings forecasts decreases voting dissent by 1.2 percentage points.

Finally, H3b is tested in Regressions 7 to 9, shown in Table 5. The results do not indicate that shareholders account for CSR-performance during an SOP vote. The ESG_SCORE is insignificant for all three regressions. H3b is not supported.

SOP voting dissent model

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	No. 9
Dependent variable	SOP_DISSENT								
meet/ beat forecasts	n/a	Yes	No	n/a	Yes	No	n/a	Yes	No
TOBQ				-2.361* (-1.89)	-5.105*** (-3.51)	-1.523 (-0.32)			
FCF				-0.275** (-2.38)	-0.359*** (-3.04)	0.258 (0.57)			
ESG_ SCORE							-0.004 (-0.04)	0.030 (0.20)	-0.176 (-0.48)
EXCESS_ COMP	3.767 (1.46)	8.529* (1.68)	-5.687 (-1.31)	4.696* (1.76)	9.86 (1.49)	-6.786* (-1.71)	3.815 (1.41)	8.186 (1.41)	-4.885 (-1.05)
%EQUITY_ COMP	-21.12*** (-2.86)	-22.74* (-1.93)	-19.04* (-1.65)	-20.65*** (-3.16)	-25.29** (-2.11)	-22.39* (-1.68)	-21.21*** (-2.81)	-22.73* (-1.82)	-19.60 (-1.50)
DUAL	-2.018 (-0.77)	-11.424** (-2.32)	-3.219 (-0.40)	-0.279 (-0.11)	-7.395 (-1.39)	-2.585 (-0.29)	-1.969 (-0.63)	-11.79** (-2.08)	-1.749 (-0.20)
BOARD_ AFFIL	-1.757 (-1.27)	-2.560* (-1.78)	1.114 -0.38	-1.952 (-1.46)	-2.453* (-1.66)	1.673 -0.52	-1.785 (-1.41)	-2.543** (-2.01)	1.492 (0.51)
INDIV_ COMP	0.216 (0.08)	-2.779 (-0.52)	-0.180 (-0.04)	0.508 (0.21)	-1.807 (-0.33)	-1.000 (-0.22)	0.237 (0.09)	-2.764 (-0.52)	-0.298 (-0.06)
GDIV_ BOARD	-0.201 (-1.16)	-0.297 (-1.01)	-0.036 (-0.11)	-0.205 (-1.26)	-0.286 (-1.08)	0.010 (0.04)	-0.200 (-1.08)	-0.304 (-0.97)	-0.001 (-0.00)
IMR	-4.774** (-2.38)	-8.552* (-1.73)	4.023 (1.13)	-4.849** (-2.20)	-6.195 (-1.11)	6.176 (1.10)	-4.925* (-1.74)	-7.763* (-1.67)	0.939 (0.15)
Year & SIC	Included								
CONS	21.363*** (4.51)	32.803*** (3.22)	-4.192 (-0.58)	25.193*** (5.79)	35.831*** (3.48)	-6.184 (-0.86)	24.804** (2.24)	29.884** (2.45)	7.294 (0.33)
Observations	144	78	66	143	77	66	143	77	66
mean VIF	3.4	3.7	4.5	4.0	4.4	6.1	4.4	4.7	6.2
rmse	13.0	14.07	7.0	13.0	13.9	6.9	13.1	14.3	7.2
R²	26.2	33.2	35.8	28.2	38.2	36.0	26.0	32.8	37.9

Table 5: Random effects panel regression with on industry sector clustered standard errors. SOP voting dissent as dependent variable and independent variables for firm characteristics, executive compensation and sample selection (see variable details in Table 2). Regressions distinguish between all firms, (No.1, No. 4, No. 7) firms that meet/beat analysts' forecasts, (No. 2, No. 5, No. 8) and firms that fail to do so (No. 3, No. 6, No. 9).

Table bottom lists the number of observations, the mean variance inflation factor of all variables (mean VIF), the root mean square error (rmse) and the overall R². T-Values are in parentheses. Significance levels: * p<0.10 ** p<0.05 *** p<0.01.

5. Contribution & Limitations

The purpose of this paper was to reduce the research gap that exists in the investigation of relationships between management-sponsored SOP votes and various characteristics of financial performance and CSR-performance. The results indicate that managers anticipate potential voting dissent caused by poor performance; SOP voting likelihood is positively associated with the firms' market-based performance, measured as Tobin's Q, as well as the firms' accounting-based performance, measured as free, undistributed cash-flow per share. However, both performance metrics are only significant when the firms also meet/beat analyst forecasts. Once the vote is cast, higher market-based and higher accounting-based firm performance decreases voting dissent, but only for firms that meet/beat the analyst forecast.

Under these circumstances, analyst forecasts serve as a signalling mechanism to the market and moderate managerial decision-making. Previous research on analysts' announcements has rejected their value as information agents (Altınkılıç et al. 2013) and the patterns of management-sponsored voluntary SOP votes indicate that the value of analysts' forecasts may stem from their signalling function, rather than their information role. This is important because the split-sample approach indicates that shareholders as well as managers equally respect the signalling function of meeting/beating analyst forecasts.

The combination of analyst forecasts and financial performance is important because it demonstrates the influence of firm performance on voluntary SOP votes. Standalone, poor performance can increase voting dissent, regardless of managerial compensation. These results are in line with recent research by Fisch et al. (2018) and they emphasize that SOP may be used as a disciplinary mechanism for inferior financial achievements rather than an instrument to identify and improve excessive remuneration schemes.

Managers seem to account for the potential problem of inferior firm performance and scheduled votes when performance was high. Maug and Rydqvist (2008) and Morgan et al. (2011) emphasize that shareholders use proxy proposals systematically by actively screening firms before targeting them. This article complements their research by demonstrating that executives exhibit similar behavioural patterns with voluntary votes.

Altogether, the results presented question the effectiveness of SOP in voluntary regimes. Managers tend to grant votes in times of high firm performance, that is when shareholders are more likely to favour compensation and when voting dissent is expected to be constantly low and excessive remuneration schemes are unlikely to be identified and punished. Moreover, SOP votes will not occur when they might be most needed: when managerial compensation is high and firm performance is low.

The problem of managers strategically sponsoring SOP votes can be avoided by making these votes mandatory. In fact, most countries run a mandatory SOP regime (Thomas and Van der Elst 2015) and the recent EU Directive 2007/36/EG on shareholder rights requires EU member states to implement mandatory SOP votes by June 2019. However, the potential problem of shareholders focusing more on firm performance than executive compensation during an SOP vote is still present. When shareholders are more concerned with firm performance than executive compensation, SOP regulations will not achieve the expected results and excessive compensation will remain.

However, within this paper financial performance and executive compensation are linked by including excessive compensation (Core et al. 2008). Excessive compensation is defined as payments that are not explained by economic factors, such as firm performance. Although excessive compensation is a major driver of SOP voting dissent (Obermann and Velte 2018), various pay-for-performance proxies exist. Future research needs to carefully examine these proxies to understand how shareholders account for firm performance when issuing a compensation vote. It is necessary to distinguish between voting dissent caused by inferior firm performance alone and voting dissent triggered by insufficient pay-for-performance sensitivity. While dissent caused by poor pay-for-performance sensitivity can improve executive compensation schemes and thus justify an SOP regulation, dissent triggered by poor firm performance alone cannot. Overall, more research is needed to ensure the efficiency of current SOP regimes with respect to financial performance.

Regarding non-financial performance, the results are mixed. On the one hand, managers seem to assess CSR-performance as a substitute for financial performance and schedule votes when CSR-performance is high, even when the firm fails to meet/beat analyst forecasts. However, the examination of SOP voting dissent indicated that shareholders do not take CSR-performance into account when voting on executive compensation. As a result, executives may not be encouraged to boost CSR-performance and concentrate on financial performance alone. However, the results were limited due to the lack of data and statistical issues. It seems prudent to investigate the effect of CSR-performance more in detail. As prior reviews indicate (Cundill et al. 2017) shareholders have heterogeneous interests; consequently, one group of shareholders may consider non-financial performance as important, while another is more concerned with financial performance. Distinguishing between these groups may be the key to better understanding what shareholders expect from the firms' management.

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Appendix 1

Predicted compensation calculation

Dependent variable	LOG_TOTAL_COMP
LOG_TA	0.403***
	(24.37)
MTB	0.075***
	(3.06)
RET	0.031
	(0.34)
RET_{t-1}	0.038
	(0.49)
ROE	-0.003**
	(1.99)
ROE_{t-1}	0.004**
	(2.33)
DPS_DELTA	0.112**
	(2.10)
Year & SIC	Included
CONS	2.779
	(7.88)
Observations	277
mean VIF	4.37
overall R^2	77.3

Appendix 1: Excess compensation model according to Core et al. (2008). Random-effects panel regression with robust standard errors. Natural logarithm of total executive board compensation (LOG_TOTAL_COMP) as dependent variable. Independent variables are adjusted to the German capital market and data availability: Natural logarithm of total assets (LOG_TA), market-to-book ratio (MTB), annual market returns (RET), lagged annual market returns (RET_{t-1}), return on equity (ROE), lagged return on equity (ROE_{t-1}), the change in dividends per share (DPS_DELTA) and dummies for year and industry sector classification based on the first digit of the four digit SIC code.

Table bottom lists the number of observations, the mean variance inflation factor of all variables (mean VIF), the overall R^2 in percent. T-values are in parentheses. Significance levels: * p<0.10 ** p<0.05 *** p<0.01.

V. Anlage: Aufteilung der Arbeitsleistung (Fachartikel 1 und 2)

In den folgenden beiden Übersichten wird dargestellt, wie und in welchem Arbeitsumfang die einzelnen Autoren im Rahmen der Erstellung an Fachartikel 1 und 2 beteiligt waren.

1. Fachartikel: Mutualistic symbiosis? Combining theories of agency and stewardship through behavioral characteristics

	Gewichtung	P. Velte (Anteil in %)	J. Obermann (Anteil in %)
Konzept des Forschungsansatzes (Forschungsidee, Hypothesenentwicklung, u.w.)	20%	25	75
Recherche, Erhebung und Aufbereitung der Literatur	15%	45	55
Analyse und Interpretation der Literatur	30%	35	65
Aufbereitung und Formulierung der Ergebnisse	15%	30	70
Einbettung in den Kontext, Fazit und Forschungsausblicke	20%	30	70
Summe	**100%**	**33%**	**67%**

Patrick Velte

Prof. Dr. Patrick Velte

Jörn Obermann

Jörn Obermann

2. Fachartikel: Determinants and consequences of executive compensation-related shareholder activism and say-on-pay votes: A literature review and research agenda

	Gewichtung	P. Velte (Anteil in %)	J. Obermann (Anteil in %)
Konzept des Forschungsansatzes (Forschungsidee, Hypothesen-entwicklung, u.w.)	20%	30	70
Recherche, Erhebung und Auf-bereitung der Literatur	15%	45	55
Analyse und Interpretation der Literatur	30%	35	65
Aufbereitung und Formulierung der Ergebnisse	15%	30	70
Einbettung in den Kontext, Fazit und Forschungsausblicke	20%	30	70
Summe	**100%**	**34%**	**66%**

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