

Some recommendations from the inspection of partial paper 3

I inspected the papers I got at the three seminars concerning paper three I had with you. I inspected only executive compensation. It looks...as if we have variation (40% No Pass, 60% Pass, and not yet any High Pass, since no-one has started to make critique and development). Here I give some recommendations caused by my impressions of the submissions.

Use the literature. And in creative ways. One article contains one or two ideas worthy of usage. Realize that all ideas can be used positively or negatively. For example, an idea of options as a mechanisms of enclosure. If you have options in your firm, you can try to find out if it is there for reasons of enclosure. But if your firm do not have options, then you ask, why not? Do they have other mechanisms or ways of compensation that fulfil the same function? Remember that the presence of a thing is always interesting, but the absence of a thing can sometimes be even more interesting. Realize that you can always describe something positively, for example, what darkness is, it is dark, it is pure black, you cannot see a thing, etc. But you can also describe darkness by what it is not, the negative, by using characteristics of lightness, that in lightness you see all contours, you see colors, thus, in darkness you do not see colors and contours. Rain is very often absence of sun and sun is absence of rain, but sometimes they are together, which is called rainbow. So, think in opposites and notice absence.

Use much data and from a variety of sources. It will make your analysis more reliable

Do not be afraid of speculation, as long as you indicate that it is a speculation and not opinion or prejudice.

Use more data. Very very few try to find relationship between compensation and different performance measurements. Is there a tournament, i.e., huge difference between the CEO and the others in the TMT? But what is huge? Inspect other similar organizations and their differences.

Be critical to data. Some uses only webbpages. They are pure marketing material and should be considered as such. Best information from the corporation is the audited part of the annual report, since an auditor has scrutinized the data. The income statement and the balance sheet is the best data you can get from the corporation. Remember that numbers are harder than

text. And action is harder than text. Get information from other sources that do not have interest in promoting the corporation and the employees. But realize that they maybe have other interest. Be critical, always thinking, always asking questions. When someone say: ‘This is a matter of facts’, or, ‘this is natural’, pay attention! Believing is for churches and political campaigns, not for universities.

Draw conclusions, but be careful since they have to come from the analysis. Be humble.

For some of you, please inspect slide number 12 at the introduction and then send me an e-mail and explain why you were unable to understand it....

Be critical. Many of you use part of the books text where they claim that compensation is related to the strength of the board, and then you start speculating about the board strength. First, you should not need to speculate about the board and you should not need to show data of the board and to perform a strength analysis of the board in the chapter of executive compensation, since that would be a conclusion reached at the board of directors chapter.

Secondly, is it the case that board is correlated with compensation, or could it be the case, as indeed the overall model of corporate governance used at this course indicate, that there are many mechanisms, and they could not, or at least, should not be treated in isolation. You will be asked, in the last chapter, to try to analyze them all in one analysis. Partial paper are mainly partial, focusing on one mechanisms. But in reality all mechanism exist at the same time, together, maybe supporting each other, maybe complementing each other or maybe even counteract each other.

If you have ambitions of highest grade, A or B, it involves theory critique and/or development. Do not be afraid of making a critique of the theories. But remember that critique is not purely evaluating it and saying it is no good, but to show the limitations of the theory and then, through development, how it can be enlarged or improved in other ways. Try it! After all, academic training at this level is to try to be able to create your own knowledge in the future. It is a great personal pleasure when you – at least think – have developed a new idea.

Don't forget a proper reference list!

Be very careful with how you use others text. You will be asked to submit the paper in pdf-format, as well as in paper format, to make it possible for a plagiarizing check. One sentence from another text without a proper citation mark and proper reference is theft and is rewarded with No Pass and a visit to the disciplinary committee. There are nicer ways to meet the Rector Håkan, so make proper citation marks and references. Even if it is a mistake, it is an explanation, but not an excuse, and constitute a violation of proper academic behavior. Never steal! Show respect to property, both material and intellectual property.

That is all for today.

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