

**The Research Centre of the School of Economics and Business**  
cordially invites you to a research seminar  
on **Wednesday, 11 January 2023 at 13:00 CET** in room **P-119**  
at the **School of Economics and Business, University of Ljubljana**  
and via **Zoom** platform

Author:

**Prof. dr. Robert Kaše**  
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will present the article:

**The role of peers in executive compensation:  
Compensation similarity, executive mobility and inclusion of CSR  
metrics**

Publicly traded U.S. firms benchmark their executive compensation practices against those of peer firms to identify the appropriate compensation level and mix, to communicate important information to shareholders and stakeholders, and to gain legitimacy in the field. While compensation benchmarking has always been an important practice, its transparency considerably improved since 2006, when the Securities and Exchange Commission (SEC) launched extensive regulation requiring all public firms to formally disclose their compensation peers. In two papers supported by an internal SEB LU research project (ExecCompPeer) and in collaboration with fellow researchers from LMU Munich we examine effects of compensation benchmarking on compensation similarity, executive mobility and inclusion of CSR metrics. In the first paper we use panel data to test if over time a firm's executive compensation (level & mix) will become increasingly similar to that of its direct and indirect compensation peers. Using the logic of implicit labor markets, we further examine if expected convergence of executive compensation characteristics also affects executive mobility among peer firms. In the second paper, we provide an in-depth exploration of underlying mechanisms leading to adoption of CSR metrics in executive compensation contracts. Using stochastic actor-oriented models (SAOMs) we showcase the primacy of the influence mechanism (vs. selection mechanism) in a virtuous cycle leading to a higher percentage of firms using CSR metrics for compensation purposes. We discuss theoretical, methodological and practical (policy) implications.

Please register for the free seminar at <http://raziskave.ef.uni-lj.si/a/1479>  
by Tuesday, 10 January 2023.

Access details will be sent prior to the event to signed up users.

**We look forward to seeing you!**