

The Research Centre of the Faculty of Economics
cordially invites you to a research seminar
on **Wednesday, 13th September 2017**
at **13 p.m.** in room **P-119**
at the **Faculty of Economics, University of Ljubljana**

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will present the article:

“Institutional Shareholders and Corporate Governance: An Overview”

“This paper presents a framework for understanding findings in previous research on the role of institutional investors in corporate governance. In equilibrium there will be different types of institutions that are fundamentally different in terms of the required skill sets of their key employees. These different skill sets are optimal for different policies regarding relevant investment objects. Institutions that invest their customers’ money constitute links in a many layered principal-agent relationship chain, with many intermediaries between the ultimate beneficiary of the investment return at one end of the chain, and the firm that employs the money in production at the other end. Such institutions normally tend to focus on investments where there is little information asymmetry and performance is relatively easy to measure. By contrast, for investments where performance is difficult to assess, and a conclusive assessment may require a considerable time period, strong personal financial interests for key-decision makers of the investing institution are preferable. Typically this holds for investments in firms that are in need of substantial restructuring. Direct involvement by a private equity firm, run by knowledgeable persons that are driven by strong personal interests, is likely to be the only way to avoid costly liquidation. For firms with less serious problems, e.g. cases that can be remedied by applying stricter corporate governance standards, an activist hedge fund, run by persons with a more limited skill set, may be the appropriate kind of institution. The paper discusses how previous empirical results concerning the impact of different types of institutions’ ownership on corporate governance can be understood in terms of this simplified framework.”

You can register for the free seminar by phone (01) 58-92-490, or via e-mail:
research.seminars@ef.uni-lj.si by Tuesday, 12th September 2017.

You can find all information regarding future research seminars on following link:
http://www.ef.uni-lj.si/raziskovanje/seminarji_in_konference

We look forward to seeing you!

