Publication: Accounting Web
Date: 22 August 2017
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Despite the ongoing public debate about the growing difference in pay between CEOs and rank-and-file workers, a new study indicates that the difference doesn't affect a firm's value and performance.

In fact, the new American Accounting Association study -- Do High CEO Pay Ratios Destroy Firm Value?-- makes the case that market competition drives higher CEO pay. It's important to note here, however, that the study doesn't suggest that the high pay ratios between senior executives and average workers cause higher firm values or superior performance.

"These findings provide useful insights to policy makers and the public who are keen to understand the reasons behind high CEO pay ratios," the study states. "We also note that our study focuses on economic aspects of pay disparity between senior executives and average workers and does not allude to broader social norms such as fairness and social equity. These unresolved issues leave room for fruitful future research," state researchers Qiang Cheng of Singapore Management University, Tharindra Ranasinghe of the University of Maryland and Sha Zhao of Oakland University, in the study.

It's no small matter. Fifty years ago, the firm CEO-to-worker pay ratio was about 20-to-1. By 2000, it was more than 100-to-1. Currently, it's double to triple that.

Fueling the study is criticism that high CEO pay ratios could damage firms' value by damaging worker morale. But, in using proprietary salary data from Payscale.com, the three researchers discovered that industry-adjusted CEO pay ratios are associated favorably with firms' value and performance. The study also reveals that higher pay ratios are linked to better CEO hires and greater sensitivity to CEO turnover.

The study authors analyzed pay at 817 firms whose CEOs had a mean total annual compensation of about $7.8 million and workers' mean pay of about $74,000.

How this will fly with the general public isn't clear. The researchers acknowledge that the increasing CEO pay ratio is "a key catalyst of the intense policy debate over income inequality in the U.S." The Dodd-Frank Act of 2010 required companies to disclose the ratio of CEO pay to the median pay of all other company employees.

Just two years ago, the SEC approved a pay-ratio disclosure rule to take effect this year. But acting SEC chairman Michael Piwowar has opted for more public input on the issue.

Still, workers aren't completely in the dark on this. Those employed by public companies can find the pay of the top five executives in public proxy statements.

So how is CEO pay actually negatively linked to a firm's value and performance? Because the higher the CEO pay ratio, the greater the perception of decreased worker morale and productivity. And that perception is based on pay comparisons, not just market factors. But if that is true, then firms would be expected to show lower values and poor performance, the researchers found.

Indeed, "from an efficient contracting viewpoint, a widening gap between CEO and worker pay can be seen as inevitable in an environment marked by larger and more complex business organizations," the study states.

For investors, the findings are key. Why? Because high pay ratios are linked to strong company stock performance and higher profits.

According to the study, a company with a CEO-to-worker ratio at about the 85th percentile had a return on assets that was 13 percent more than for firms at the median.

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The study was presented at the American Accounting Association's annual meeting in August.