

MANAGEMENT ORIENTAT SPRE ACȚIONARI (II)

MANAGEMENT ORIENTED TOWARDS SHAREHOLDERS (II)

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Abstract: Shareholder and stakeholder orientation is the subject of a debate in research theory. Any business student will have this dilemma: who is more important: employees, and other parties like clients or the end results – the shareholders? There are different perspectives when paying managers from a management oriented board and a shareholder oriented board and whether compensation constraints are specified by charter restrictions or by shareholders' democracy or full delegation to the board. We have analyzed in which of these cases the pay – performance sensitivity is increased, when firm value is increased or decreased and when expected managerial compensation is increased. This is also a subject for future research.

Keywords: shareholders, shareholders' interests, shares, management's interests, compensation