

Reorienting executive remuneration towards employees' interests and sustainability

Working group at the conference „Final Call: Now Boarding“
Amsterdam, 17 Nov 2010

Key concerns: TRANSPARENCY, LEVEL, STRUCTURE

TRANSPARENCY:

- So we know managers' incentives

LEVEL:

- Threat to social cohesion
- Drain on company resources
- Fairness in state aid cases

STRUCTURE:

- Decoupling of workforce and management interests
- Wrong incentives for executives
- Special problem: stock options in financial institutions

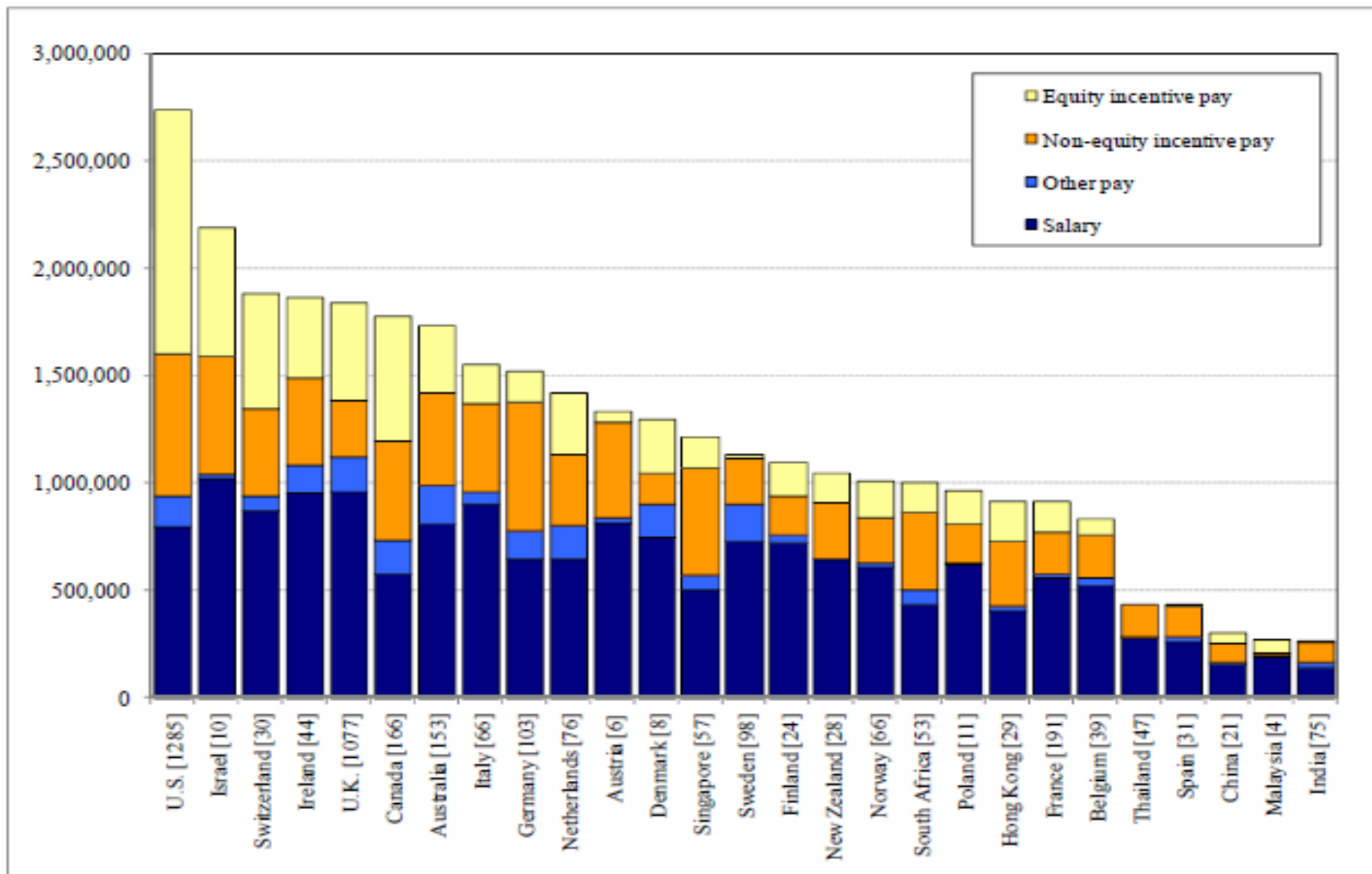


Figure 1: CEO Total Compensation Controlling for Sales and Industry

ISSUES FOR DISCUSSION

- How can we reorient executive remuneration toward employee interests and sustainability?
- What demands should we make on governments?
 - Transparency
 - Caps
 - Corporate Governance
 - Are shareholder rights contrary to worker participation?
- What recommendations can trade unions make to board level employee representatives