


**Please cite the Published Version**

Develay, Etienne , Wang, Yan and Giamporcaro, Stephanie (2021) CEO-To-Worker Pay Ratio, Say On Pay Votes, and Executive Compensation. In: AOM 2021: Bringing the Manager Back in Management, 30 July 2021 - 3 August 2021, Online.

**DOI:** <https://doi.org/10.5465/ambpp.2021.12466abstract>

**Publisher:** Academy of Management

**Version:** Published Version

**Downloaded from:** <https://e-space.mmu.ac.uk/633830/>

**Usage rights:**  [Creative Commons: Attribution-Noncommercial-No Derivative Works 3.0](https://creativecommons.org/licenses/by-nc-nd/3.0/)

**Additional Information:** This is a published abstract of a paper presented at AOM Conference 2021 (online)

**Enquiries:**

If you have questions about this document, contact [openresearch@mmu.ac.uk](mailto:openresearch@mmu.ac.uk). Please include the URL of the record in e-space. If you believe that your, or a third party's rights have been compromised through this document please see our Take Down policy (available from <https://www.mmu.ac.uk/library/using-the-library/policies-and-guidelines>)

[< back](#)

Academy of Management Annual Meeting *Proceedings* includes abstracts of all papers and symposia presented at the annual conference, plus 6-page abridged versions of the “Best Papers” accepted for inclusion in the program (approximately 10%). Papers published in the *Proceedings* are abridged because presenting papers at their full length could preclude subsequent journal publication. Please contact the author(s) directly for the full papers.

## CEO-To-Worker Pay Ratio, Say On Pay Votes, and Executive Compensation

Etienne Develay, Yan Wang and Stephanie Giamporcaro

**Published Online:** 26 Jul 2021 | <https://doi.org/10.5465/AMBPP.2021.12466abstract>

### Abstract

This study investigates the extent to which the CEO-to-Worker pay ratio affects shareholders' say on pay votes and consequently examine whether shareholder opposition to pay gaps influence future CEO compensation. The effects of the implementation of the CEO-to-Worker pay ratio disclosure rule (2017) and the Portland Surplus tax (2018) are also discussed. We employ a large and up-to-date sample of US Russell 3,000 companies with 13,885 firm-year observations from 2011 to 2018. We develop and employ a unique measure of the CEO-to-Worker pay ratio allowing us to study time-periods for which data is not available. Using different quantitative estimation methods, we found that the CEO-to-Worker pay ratio is significantly and positively associated with shareholder dissent votes and that a pay gap opposition from shareholders is negatively and significantly associated with future CEO compensation. In addition, mandatory disclosure of the CEO-to-Worker pay ratio has increased the number of shareholder dissent votes the year after its implementation in 2017. By contrast, companies identified by the Portland Surplus tax have not shown higher shareholder dissent votes nor lower future CEO compensation compared to the Russell 3,000 companies. This study has important implications for the corporate governance literature, corporate directors, and policymakers.

[< back](#)



# ACADEMY OF Management

Academy of Management  
555 Pleasantville Road, Suite N200  
Briarcliff Manor, NY 10510-8020, USA  
Phone: +1 (914) 326-1800  
Fax: +1 (914) 326-1900

[Privacy Policy](#)   [Logo Use](#)

© 2024 Academy of Management  
Powered by [Atypon®](#) Literatum