

# ICOR - INENT Research Seminar

## “Separation payments and corporate governance: an ethical perspective”

Cyrine BEN-HAFAÏEDH - IÉSEG School of Management

**Thursday, January 17th, 2019 – 14:30 – 16:00**

### Abstract:

Egregious, unfair, unethical, immoral,... this is how the public and shareholders activists view some executives' separation payments. Corporate governance is often put in the dock as well by notably pointing out the relationships between the executives' and the board members' compensations. This paper focuses on the role of corporate governance in the ethics of separation payments. First, we analyze the ethics of separation payments, identifying the most relevant levers. Second, based on a unique hand-collected dataset, we examine the impact of corporate governance on separation payments. We find that separation payments have a negative relationship with the quality of the corporate governance. We argue that better quality corporate governance (in its different internal and external dimensions) will contribute in offsetting the risks our ethics analysis revealed since it helps regulate the level of separation payments thus contributing to minimize the stakeholders' negative perceptions, and also preventing pay-for-failure cases.

- **Paris: Room P305, Promenade building**
- **Lille : Visio Room E033, 7 rue Solférino**