

**Schulich School of Business
Accounting Seminar Series
Presents**

Who:	Dr. Karel Hrazdil Beedie School of Business, Simon Fraser University Burnaby, British Columbia
Topic:	Managerial Risk Aversion and the Structure of Executive Compensation
Bio:	Professor Karel Hrazdil, who joined the Beedie School of Business in August 2007, comes from a long family line of professors. Originally from the Czech Republic, Hrazdil moved to Canada in 1997 to complete his education, graduating with a PhD in accounting from the University of Alberta (UA) in 2007. He enjoys teaching as well as researching financial accounting and reporting in capital markets. A sports enthusiast, Hrazdil enjoys Judo (holds a black belt), scuba diving (PADI Divemaster), and skiing. He also regularly competes in tournaments in Racketlon, which combines the four most popular racquet sports in a single match (table tennis, badminton, squash and tennis).
Abstract:	We examine whether and, if so, how executives' inherent risk aversion plays a role in shaping the structure of their compensation contracts. In so doing, we estimate managerial risk aversion based on the Big Five personality traits – openness, conscientiousness, extraversion, agreeableness, and neuroticism – inferred using IBM's Watson Personality Insights service. We show that executives' inherent risk aversion is related to their compensation structure. Specifically, we find that more risk-averse CEOs and CFOs receive more cash-based and less equity-based compensation and receive larger pre-contracted severance pay. In addition, the premium for the equity-based compensation component is larger for more risk-averse executives. Our findings suggest that knowledge about executives' inherent risk aversion is important and relevant for designing compensation contracts and help us better understand the interplay between executive personal characteristics and remuneration.
When:	Monday, October 21, 2019
Where:	Room G208 Rob and Cheryl McEwen Graduate Study & Research Building, Schulich School of Business Light refreshments will be provided Presentation at 10:00 a.m.
Register:	Please RSVP kosman@schulich.yorku.ca by Tuesday, October 15, 2019

Kaltum Osman

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