



"Remuneration Packages: Are New Rules for Executives Really Necessary?"
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John Egan, Principal of remuneration specialists **Egan Associates**, believes that challenges created by the proposed amendments will be more for advisers to corporations than the organisations themselves. "In my judgement it will be far more challenging for those companies outside the ASX 100, where they don't have the same level of expertise among their executives or directors."

Egan considers the proposed legislation unnecessary. "One of the challenges which companies face in aligning management reward with shareholder benefit is that the vast majority of management do not have an ability to directly influence share price or group earnings," he says. "They have a much greater opportunity of influencing the area in which they work and meeting the plans which are set either by themselves in collaboration with key management personnel or as authorised by the board, should they be intimately involved in the setting of operational budgets and business plans."

With the diversity of enterprises and ways of motivating and engaging management to achieve the best possible result, there is no magic bullet, Egan concludes.

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