Sustainability-oriented executive compensation and firm performance: A meta-analysis of the consequences for ESG-based compensation

Background

Sustainability is not just a trend, but a key success factor for companies of the future. But how can top managers be persuaded to make sustainable decisions? The answer could lie in environmental, social, and governance (ESG) indicators in executive compensation. But do such incentives really work? This question is highly topical and offers the opportunity to gain exciting insights at the interface of sustainability, corporate strategy, and performance. By conducting a meta-analysis, you will help to shed light on the research to date and highlight implications for the corporate world.

Research question

Does the integration of ESG metrics into executive compensation influence corporate performance?

Objective and method

The aim of this thesis is to systematically examine how the integration of ESG metrics into executive compensation affects financial and non-financial corporate performance. A meta-analysis will be used to analyze the results of existing studies and identify quantitative effects and moderating factors (e.g., industry, company size). The analysis is based on an existing data set and provides important insights for sustainable incentive systems.

Literature

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