

Abstract

In this thesis we assess executive compensation in the Czech Republic. Our study adds to scarce literature written on this topic regarding the Czech environment. We analyze a dataset of 100 large Czech companies, we try to find the factors influencing income of Czech managers and we compare our results to existing empirical research. We found that factors such as company's size, performance or concentration and nature of ownership are determinants of the level of executive compensation. Furthermore, we find that annual growth in managerial income is to some extent sensitive to annual performance of the company. We conclude that the environment of executive compensation in the Czech Republic fits predictions of both underlying theories, optimal contracting and rent extraction view, and the compensation culture seems comparable to other countries.

JEL Classification

J31, M52, L25

Keywords

Executive compensation, optimal contracting,
rent extraction, performance sensitivity