

## Effective Executive Compensation

Authors: Michael Graham, Thomas Roth, and Dawn Dugan  
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Reviewer: Steve Werling, DBA, Professor, University of Texas at San Antonio

With increasing interest and scrutiny in executive compensation comes the need for fresh insights into the processes and problems used to establish these practices. This book covers the full range of topics relating to executive compensation, as well as a discussion of total reward strategies and architecture and an extremely large number of brief examples from the popular press, numerous investor alerts, short case studies, and two full case studies.

However, several significant weaknesses in the book make it extremely difficult for the targeted audience of human resource professionals, business executives, board members and informed investors to gain needed information and knowledge. Specifically, the authors have failed to fulfill the need for a professionally written book with clear insights and objective, research-based recommendations.

The publisher describes the book as “sharply witty.” However, most readers will find the book anything but. Instead most of the audience will find the section headings, like “Mine is Bigger than Yours,” “These Boots Were Made for Walking,” and “Size Matters;” and phrases such as “A Bull\$%\*t Sounding Mission Statement” to be inappropriate in a professional text. It’s not clear why the authors believe a professional audience must be entertained with boorish and immature humor to understand the issues.

In addition to the inappropriate language, the very informal, conversational writing style, with catchy phrases like “HmMMMM,” “OUTE analysis,” “Yup. There’s no doubt about it,” etc. is a deterrent from even focusing on the material. There are some valuable insights scattered throughout the book, but the colloquial writing style makes it difficult for the audience to find them.

A lack of specific details has a significant impact on the usefulness of the information too. This is evident throughout the text, but most noticeable in the explanations of the various figures in Chapters 6 and 7 and in the discussion of the various Grahall Partners, LLC models. In Chapter 6, for example, the authors provide nine pages of figures with fewer than three pages of discussion. In Chapter 7, the authors make no specific reference to any of the five figures. The authors carry this trend into the final chapter where many of their ten simple rules of executive compensation are general statements with very little support or clarification.

While the authors must have amassed a wealth of knowledge in their more than 50 years of combined consulting experience, it’s too bad they did not receive better advice in the preparation of the book. The targeted audience will be better served by choosing other books, such as *The Complete Guide to Executive Compensation* by Bruce Ellig for a more sophisticated and complete understanding of executive compensation.

## The Sustainable Enterprise Fieldbook

Authors: edited by Jeana Wirtenberg, with William G. Russell and David Lipsky in collaboration with the Enterprise Sustainability Action Team.



Reviewer: Michael Williams, Professor, The Eli Broad College of Business, Michigan State University.

*The Sustainable Enterprise Fieldbook* is a collection of well-written essays by 29 members of the Enterprise Sustainability Action Team. The editors organized the essays to convey the importance and method of developing core competencies and resources focused on long-term, global sustainability. The editors define sustainability as an enterprise’s awareness and ability to renew and rejuvenate resource inputs, while not degrading local and global ecosystems. A sustainable enterprise is likely to pursue a triple-bottom-line strategy tied to three broad domains of stakeholder needs: social, environmental, and economic.

The book is divided into five parts and contains explanations, activities, challenge questions, case examples and tools that leaders and managers can apply to help break down barriers to creating sustainable organizations and enable their organizations to work in sustainable ways.

Part I provides the introduction and overview of how a leader can use the book to understand and implement sustainability. Central is the “Sustainability Pyramid Model,” created by the editors, which describes the common qualities of nine sustainable enterprises. The pyramid is stacked in three layers: the foundation layer, the traction layer and the integration layer. The foundation layer includes: deeply embedded values, senior management support, and management’s commitment to sustainability as central to an enterprise’s strategic plan.

Part II presents three primary ingredients of the foundation of a sustainable enterprise. The first is leadership, effectively illustrated by the “Leadership Diamond,” created by Daniel F. Twomey, a contributor to the book. Second is thinking about sustainable enterprise and the importance of having an open mind to see the opportunities afforded by sustainability. Third is the presentation of specific methods for developing a sustainability strategy.

Part III identifies the challenges of managing change. In particular, the essays in Chapter 5 concentrate on the employee as an essential stakeholder in the transition to sustainability. Chapter 6 gives excellent examples of metrics and measurement systems to quantify and identify a company’s long-term sustainability.

Part IV turns to globalization and the challenge to look outside of oneself and beyond our bounded rationality to view the world. The essays attempt to challenge the reader to change and think in a much larger context. Finally, Part V is titled “When it all comes together,” and it is a very well laid out summary of the book.

Overall, this book is a very user-friendly and practical book on sustainability. It is well written and comprehensive, very clear and concise in its explanations and applicable examples. The key challenge the editors continually ask themselves and the reader is “what more can be done?” The first thing to do is to read, understand and follow *The Sustainable Enterprise Fieldbook*.

### REVIEW KEY

Four Covers: Must Read

Two Covers: Skim It

Three Covers: Worthwhile

One Cover: Bottom of the Stack