Abstract: For a sample of Dutch newspaper articles, we studied the perception of shareholder value by various actors in 2006 and 2008. We found that people mainly have a negative view on the short-term variety of shareholder value, whereas the original, long-term variety is viewed much more favourably, at least by those who are aware of its existence. Moreover, perceptions became more negative during the financial crisis. The concept seems badly understood and highly politically charged.

The Many Faces of Shareholder Value

An inquiry into its start, development, reception and current heading

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1. Introduction

After twenty years, Jack Welch, one of the main proponents of the concept of shareholder value, stated the following: “On the face of it, shareholder value is the dumbest idea in the world”[1]. This comment was not very well received by many in the corporate world, however he is not the only one noting the problems associated with the a short-term focus on shareholder value, many other people have also called for a re-examination and in Europe there have always been some reservations about focusing on the maximization of shareholder value.

This all seems natural, there are very few concepts that enjoy the enduring support of *all* scholars and practitioners. What makes this interesting is that upon surveying the discussions from the 80’s until today, it appears that the concept has been changing and that there are very different ideas in existence as to what shareholder value entails, not to mention the possible direction(s) it is heading for.

The aim of this paper is to outline the start and development of the concept of shareholder value, and to discern the ‘changing faces’ that seem to have been – and are still - taking place. In addition to this, we will focus on the reception of the concept in the Netherlands and will inquire whether the current credit-crisis has had an impact on the prevailing attitude amongst various actors.

[1] F. Guerrera, “Welch condemns share price focus”, *Financial Times* 12 March 2009

2. History of the concept

2.1 Background

The main work that lies at the foundation of the concept of shareholder value was published in 1986 by Alfred Rappaport; *Creating Shareholder Value*.[2] However the 'real' start can be traced back even earlier; 1932, the year in which Berle and Means published *The Modern Corporation and Private Property*. In their work they called attention to the conflict between managers and shareholders that had arisen because corporations were being managed by professional managers instead of its owners (i.e. the shareholders). The conflict as they saw it was essentially that managers "can serve their own pockets better by profiting at the expense of the company than by making profits for it."[3]

In their view, the separation between ownership and control would entail negative consequences for the shareholders as their interests would often diverge from those of the managers. Berle and Means saw the listing of shares on the exchange market as one of the corollaries for this, as it seemed shareholders became – or were being forced into becoming – more interested in liquidity than in controlling the respective companies.[4]

Even though the view of Berle and Means of managers may have been a bit over the top[5], their call for a return of control to the owners was born out of lofty aspirations, ones that seem to have been lost and only have been picked up in the seventies by the Committee for Economic Development and subsequently in the aforementioned work of Alfred Rappaport.

The report *Social Responsibilities of Business Corporations*, published in 1970 by the CED wrote: "business functions by public consent and its basic purpose is to serve constructively

[2] See below section 2.3.1

[3] A.A. Berle & G.C. Means, *The Modern Corporation & Private Property* (New Brunswick: Transaction Publishers, 1991), p. 114

[4] Ibid. p. 250

[5] To argue that managers are acting in their own interest is not necessarily the same as saying they act **not** in the interest of the shareholders as their interests could very well overlap. An example would be the mutual interest in the perpetuity of the company.

the needs of society—to the satisfaction of society."[6] Which sounds quite familiar to what Berle and Means wrote: "New responsibilities towards the owners, the workers, the consumers, and the State thus rests upon the shoulders of those in control."[7]

To be sure these views are not the first one's that pop up when considering shareholder value. However to understand how we have come to our present day association(s), it is important to be aware of them. Perhaps even more important is a chain of events that played a significant role in delivering our association(s). Two names played were attached to this chain; Ronald Reagan and Margaret Thatcher. Under their administration, great emphasis was placed on opening up the markets and reducing government intervention, including the lifting of price controls on oil by President Reagan. In a sense they created the right climate for the stock exchange to flourish and an increase in the power of shareholders.

With this increase in power, came an increase in pressure by the shareholders. This was brought about largely because of the so-called "value gap" i.e. the discrepancy between the current market value of the company and the possible value of the company were it to focus on maximizing shareholder value.

It is hard to say whether this gap was the result of what Berle and Means saw as the conscious act on the part of the manager to act in his or her own interests (at the expense of the shareholders), or as the outcome of numerous decisions on the part of the companies e.g. allocation of substantial excess cash flow to uneconomic reinvestment, ill-advised diversification, failure to seek the highest value for assets, and of course the failure to distribute cash to shareholders.[8]

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[6] Committee for Economic Development, *Social Responsibilities of Business Corporations* (CED: New York, 1971), p. 11

[7] A.A. Berle & G.C. Means, *The Modern Corporation & Private Property* (New Brunswick: Transaction Publishers, 1991), p. 7

[8] A. Rappaport, *Creating shareholder value: the new standard for business performance* (New York: Free Press, 1998), p. 1

The value gap led to a change of attitude amongst shareholders, who were characterized by Berle and Means for their passive attitude[9], turning into 'raiders', initiating a period that witnessed the "merger movement" or "take over" movement.

These corporate 'raiders' saw the gap as an invitation to bid for the respective companies and learned quickly that they could make a lot of money in the business of breaking up companies. A natural question would be where to get the money from to finance these takeovers, but for this, too, there was a solution; junk bonds.

Michael Milken, the "Junk Bond King", presented junk bonds; bonds that were accredited with the lowest investment grade because of the high risk that was attached to them. The benefit of these bonds was the high interest rate they offered to investors. For corporate raiders this was interesting as they needed a lot of capital to finance their takeovers. They would use the junk bonds "to buy up the shares of the firm and then the new owners could engage in internal reorganization of the firm to pay the debt down."[10]

As the shareholders were frustrated with current management practice there was little resistance on their part. The chain however did not end here, the 'new' management realized very well why they had replaced the former team and sought to appease the shareholders by focusing on delivering maximum value to them.

In a sense it almost seems like the perfect ascent of the concept of maximizing shareholder value, the moment was right, the environment receptive, the players capable and little stood in their way of attaining their objectives. And indeed we see that from this moment on "shareholder value has moved from being ignored to being rejected to becoming self-evident"[11] and at least in the U.S.A. for the most part as "politically correct".

[9] A.A. Berle & G.C. Means, *The Modern Corporation & Private Property* (New Brunswick: Transaction Publishers, 1991), p. 64
[10] A. Ebner & N. Beck, *The Institutions of the Market* (New York: Oxford University Press, 2008), p. 139
[11] A. Rappaport, *Creating shareholder value: the new standard for business performance* (New York: Free Press, 1998), p. 2

This is however not the end of the story, but that will become apparent in our present survey.

2.2 Corporate

It seems natural to start with the corporate world, as that is the place shareholder value is created, and what better way than to start off with the main proponent of what seems to be a prevalent perception of what shareholder value entails.

2.2.1 Jack Welch

In 1981, Jack Welch, the former CEO of General Electric, gave a speech that many see as the start of the focus on shareholder value[12]. In it he shared his vision for GE and announced the decision to sell businesses that were underperforming and focus on making profits increase faster than global economic growth. He said: "[GE] will be the locomotive pulling the GNP, not the caboose following it"[13].

Practically this led to: "Managing to create shareholder value became managed earnings became managing quarter to quarter to please the Street"[14] Overtime GE became focused solely on delivering consistent earnings growth and stable share prices to the point that the accounting figures had to be cooked to meet the quarterly expectations. In 1994 *The Wall Street Journal* published an article titled: "Managing Profits: How General Electric Damps Fluctuations in its Annual Earnings" in which they detailed what methods GE used to smoothen the earnings, e.g. carefully timing capital gains, making use of restructuring charges and reserves, etc.[15]

An example of their 'flexibility' can be found in the response of several leaders at GE when finding a gap of $350 million dollars, caused by a manager[16] of one of its companies that

[12] See B. Morris, "Tearing up the Jack Welch playbook", *CNN* 11 July 2006 and more recently F. Guerrera, "Welch denounces corporate obsessions", *Financial Times* 13 March 2009
[13] Jack Welch, "Growing Fast in a Slow-Growth Economy", address to General Electric 8 December 1981
[14] R. Khuruna in an interview with B. Morris: "Tearing up the Jack Welch playbook", CNN 11 July 2006
[15] R. Smith, S. Lipin and A.K. Naj (1994), "Managing Profits: How General Electric Damps Fluctuations in its Annual Earnings," *Wall Street Journal*, pp. 321-326
[16] For the whole story see Jack Welch, *Straight from the Gut* (New York: Warner Books, 2003), pp. 267-282

performed fictitious trades to inflate his bonus, “Some said they could find an extra $10 million, $20 million, and even $30 million from their businesses to offset the surprise.”[17]

Recently, after more than two decades, in an interview with *The Financial Times*, Jack Welch said that it was “"a dumb idea" for executives to focus so heavily on quarterly profits and share price gains.”[18] This was seen by many as a change in views yet in an interview with *BusinessWeek* when asked whether he experienced a conversion he answered he did not and did not feel he changed his position but had always believed that[19].

Be that as it may, under his command GE focused mainly on short term earnings and got its reputation for delivering consistent earnings growth figures and a stable share price through creative accounting. The shareholders were the absolute focus and this was felt from top to bottom, one former employee explained that budgets were drawn up monthly, quarterly and yearly and were all the time adjusted, the term GE used internally for this was ‘stretching’.[20]

Jack Welch and his team at GE are however not at the edge of the spectrum, though very focused on delivering shareholder value in the short-term, there is an instrument used by investors that can aptly be positioned at the edge, and it is to this instrument that we will now turn.

2.2.2 Hedge Funds

Hedge funds are a portfolio of investments that attempt to counterbalance (or hedge) its trading by engaging in the opposite direction. For example when going long in one position, to offset the risk that is present at the downside, one goes short as well. But it can be done simply by trading commodities as well. They are characterized for their heavy use of leverage and high management fees.

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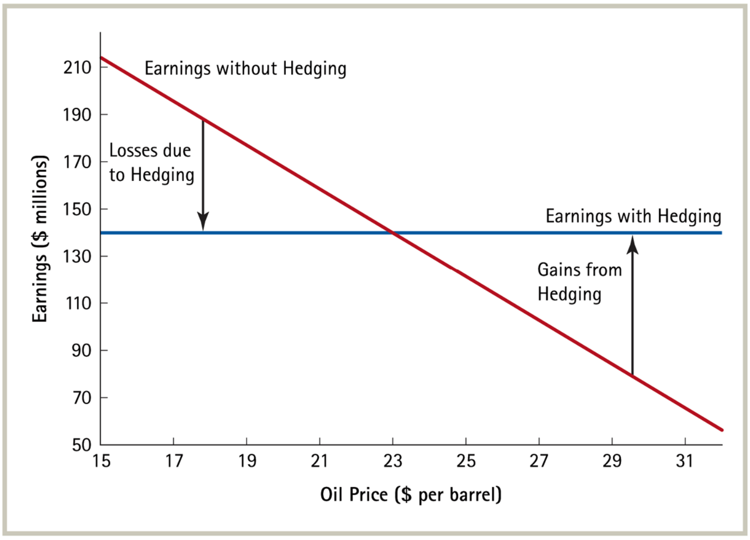
[17] Ibid. p. 277
[18] F. Guerrera, “Welch denounces corporate obsessions”, *Financial Times* 13 March 2009
[19] “Jack Welch elaborates: Shareholder Value”, *Business Week* 16 March 2009
[20] Interview with former employee of General Electric, 29 May 2009

Berk and DeMarzo in their widely used textbook on Corporate Finance cite as an example an airliner that is concerned about possible increases in the cost of fuel[21]. A possibility to hedge against this risk would be to purchase oil today and store it so that the company does not need to incur those high costs when those increases actually take place. Graphically this would look something like this[22]:

Figure 1



The concept of hedge funds can be traced back[23] to shortly after the second world war, when Alfred W. Jones, a journalist for *Fortune* magazine, while writing a piece detailing the latest trends in finance, came up with a better idea of managing finance.[24]

Shortly before publicizing his article he started up his own investment fund and started trading, outperforming at one point the best mutual fund by 85 percent.[25]

His success did not go unnoticed and two decades later there were 200 hedge funds in existence. In hindsight one would think that the extraordinary returns that were noted had to go bust some day and in the late sixties this is exactly what took place.

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21 J. Berk and P. DeMarzo, *Corporate Finance* (New York: Addison Wesley 2007), p. 934

22 J. Berk and P. DeMarzo, *Corporate Finance* (New York: Addison Wesley 2007), fig 30.1, p. 934

23 In some sense one of the earliest hedging actions recorded is found in the Biblical narrative of Joseph in Egypt☺ cf. Genesis ch. 41

24 A.W. Jones, "Fashions in Forecasting", *Fortune* March 1949

25 M.J. Gabelli, "The History of Hedge Funds – The Millionaire's club", GAMCO Investors inc., 25 October 2000, accessible at http://www.gabelli.com/news/mario-hedge_102500.html

This led to some probing among traders as well as the wider public; already after the first downturn in the period 1969-1970, one of Jones' colleagues at *Fortune* wrote a piece titled "Hard times hit the Hedge Funds", in which she detailed the rise of hedge funds and the pace at which it increased and raised some questions whether it would be a good idea for the Securities and Exchange Commission to regulate the funds[26] as it looked like it started to get out of hand.[27] Which did happen (again) with the bear market in 1973-1974, that led to significant losses for hedge funds.

These losses led to the disappearance of many hedge funds and to a period that lasted until the beginning of the nineties with relatively little upheaval among hedge funds. In the early nineties they arose again and from then onwards several events took place that gave hedge funds the lasting reputation of being aggressive, fiercely short-term focused and delivering almost exclusively value to shareholders, often at the expense to stakeholders.

George Soros is one of the faces that is associated with this picture. He became (in)famous in 1992 for his speculation against the British pound, which resulted in a $1 billion dollars profit and has been accused by the former Prime minister of Malaysia for playing a big role in the Asian currency crisis in 1997. The former prime minister called hedge fund managers operating in the line of Soros, "highwaymen of the global economy" [28].

However not only a macro-level were hedge funds active and feared, on a micro-level, many companies feared of falling prey to the 'relentless' hedge funds as well.

The main reason for this was because oftentimes hedge funds bought up shares in companies and subsequently attempted to force management into selling off divisions, in order to increase their separate value. In these decisions the focus was very much put on

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[26] One of the advantages for hedge funds was the fact that they were exempt from the Investment Company Act of 1940, through two sections: 1. hundred or fewer investors, 2. qualified purchasers. This has been battled by the SEC, and is still being battled after several bills have been rejected.
[27] C.J. Loomis, "Hard Times Come to the Hedge Funds", *Fortune* January 1970
[28] M. Mahathir, "Highwaymen of the Global Economy", *Wall Street Journal* September 23 1997 but see a working paper by S. Brown et al. that claims the hedge funds operators were not responsible for the crash S.J. Brown, W.N. Goetzmann & J.M. Park (1998), "Hedge Funds and the Asian Currency Crisis of 1997", NYU Working Paper No. FIN-98-014.

shareholders and especially their value in the short-term, while the interests of the stakeholders seemed to be almost completely absent.

This activity did not remain within the borders of the U.S.A. but extended to the rest of the world where it has not always been received very well. An outspoken opponent of this narrow focus of maximizing shareholder value in the short-term is the Frenchman Michel Albert to whom we will now turn.

2.2.3 Michel Albert

Michel Albert in his work *Capitalism Against Capitalism*, argued for what he called the Rhineland model against the form of capitalism in the Anglo-Saxon countries, which he termed: neo-Capitalism. The Rhineland model represented the form of capitalism that was present mainly in Germany, which he characterized for not being solely market-based but involving a certain level of coordination and social consensus.

He looked at shareholder value from within that system and changed the wording to *Stakeholders* value, reflecting what he thought was to be the main focus and not only the consequence of the focus on shareholder value as it was in the Anglo-Saxon countries.

He wrote: "In Germany, all parties are invited to participate in company decision-making: shareholders, employers, executives and trade unions alike cooperate in a variety of ways to achieve a unique form of joint management."[29] This was in his view where the focus of the company would spring forth, one that would consequently take into account all stakeholders interests and aim to maximize their value.

In short, the idea he proposed agreed with the Anglo-Saxon countries' approach to shareholder value – in the sense that the long-term must be aimed for – however he put the focus at where the Anglo-Saxon approach ended. Instead of focusing first on delivering maximum shareholder value from which other stakeholders would eventually benefit, he argued that the focus should be on delivering stakeholder value that would in turn benefit all, including shareholders.

[29] M. Albert, *Capitalism Against Capitalism* (London: Whurr Publishers Ltd, 1993), p. 110

His view is shared by several politicians but before turning to them, one of them which we have touched upon briefly but in the next section this will be expanded.

2.3 Political

2.3.1 Ronald Reagan

As pointed out in the introduction, former President of the U.S.A., Ronald Reagan, played a big role in creating an environment for the stock exchange to flourish and an increase in the power of shareholders.

His presidential term started in a period that exhibited, the infamous combination of inflation and slow economic growth dubbed ‘stagflation’. Determined to battle this and strengthen America’s economy he set out with a pro-business and anti-government interference approach. Deregulation was the answer.

One of the first things he did, when coming to power, was the approval of all mergers save for those which would lead to a concentration of over 80 percent in the market. In addition to this corporate income taxes were decreased and while this may be seen as acting politically correct, he went further in going after the employees by weakening their rights and making their position less secure, which in the case of air traffic controllers even led to the decertification of their union.

All of this was pursued with the idea in mind that the deregulation would increase competition, forcing wages down, and bring an end to inflation. This would cause prices to decrease which would in turn fuel consumption and economic growth.

To some extent this worked, but as will be shown in other sections of this study there were many bumps along the road. The following section will recount another politician that is chiefly known for his opposition to Reagan’s approach of focusing on shareholder value.

2.3.2 Franz Müntefering

"Locusts!" This is how Franz Müntefering, chairman of the Social Democratic Party, referred to Private Equity firms in an interview with the *Bild*[30]. In the interview he attacked the firms for their ruthless behaviour and seeming disregard for the fate of many of the German employees. He said: "They stay anonymous, have no face, attack firms like locusts, devour them and move on. Against this form of capitalism we battle."[31]

His comments unleashed national debate[32] and gained much support among the masses. In his view the Private Equity firms were only focused on maximizing their own value in the short run and were not interested in the (social) cost in the long term. He published a list with names of companies he felt were 'locusts', among them were: KKR, Goldman Sachs, Blackstone Group and several other well-known firms[33].

Müntefering called for responsible behaviour by Private Equity firms, which includes – and perhaps even focuses on – delivering value to stakeholders in the long run[34].

A political scientist who agreed largely with this was Susan George, to whom we will now turn.

2.3.3 Susan George

Susan George, widely known for her opposition to the policies of the IMF and the Worldbank, was quite vocal in her opposition against capitalism. In her view (global) corporations were only interested in increasing shareholder value, which in her opinion did not include more than the literal meaning.

In a speech delivered in Bangkok this came out most vividly: "depending on the year, two-thirds to three-quarters of all the money labelled 'Foreign Direct Investment' is not devoted

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30 *Bild*, 17 April 2005

31 "Manche Finanzinvestoren verschwenden keinen Gedanken an die Menschen, deren Arbeitsplätze sie vernichten. Sie bleiben anonym, haben kein Gesicht, fallen wie Heuschreckenschwärme über Unternehmen her, grasen sie ab en ziehen weiter. Gegen diese Form van Kapitalismus kämpfen wir." Ibid.

32 The debate was termed "Heuschreckendebatte", which translates as: locusts debate

33 "Die Namen der Heuschrecken", *Stern* April 2005

34 SPD: Programmheft I. *Tradition und Fortschritt*. Januari 2005

to new, job-creating investment but to mergers and acquisitions which almost invariably result in job losses."[35]

Hence to her the classic notion that the pursuit of shareholder value [in the long-term] would lead to benefits for stakeholders was far from obvious. With respect to this she said: "Globalisation is really 'corporate-driven economic integration' or just plain '21st century capitalism'. It feeds on the planet, makes the rich richer, increases inequality, denies democracy and excludes hundreds of millions of people"[36]

She did not propose a complete overthrow of capitalism as she thought that would lead to greater losses than the governments could cope with. She did however recently call for a nationalization of all banks saying: "The only solution is to nationalise the banks, place them under social control and treat them as public utilities. Their job is to serve society. Financial credit should be a common good, available [obviously under certain rules] to all, at cost or below cost."[37] Another idea she put forth was a tax on international financial transactions, including currency, stocks and bonds trading.

The likelihood of such a plan being accepted is questionable but let us examine how several academics have looked at the concept of shareholder value and the ideas and/or solutions they presented.

2.4 Academia

As noted above[38] the roots of focusing on shareholder value can be traced back to the 1930s when Berle and Means questioned the current lack of involvement of shareholders, however this discussion seems to have been lost to academia[39] for quite some time and has only been put on the agenda again in the eighties by a community of management consultants in an attempt to enable companies that were under the pressure of the stock market to increase

[35] S. George (1999), "A Short History of Neo-Liberalism" - a speech to the conference on 'Economic Sovereignty in a Globalising World', Bangkok
[36] Ibid.
[37] S. George (2009), "Contribution to the Vienna Conference of the Club of Rome", 16-17 April 2009
[38] Section 2.1
[39] Lost in the sense of focusing on delivering shareholder value, not in the debate on corporate governance

returns[40]. The most significant academic in this field was and is still Alfred Rappaport to whom we now will turn.

2.4.1 Alfred Rappaport

In 1986 Alfred Rappaport published his work titled: *Creating Shareholder Value*, in which he outlined the concept shareholder value and ways to work with it.

His views on shareholder value echoed much of what had been written by the report of the CED (1971) and Berle and Means, and was in heavy contrast with the approach of much of the corporate world. He saw the relationship between the company and its stakeholders as a two-way relationship, the long-term destiny of the company and its ability to serve all stakeholders being dependent on a "financial relationship with each stakeholder that has an interest in the company"[41].

Rappaport argued that in order to have a lasting relationship with stakeholders, "management must generate cash by operating its businesses efficiently"[42], and, "this emphasis on long-term cash flow is the essence of the shareholder value."[43]

This is rather different than the case we observed above, where much focus was put on the short-term and smoothening earnings to please the market. A focus on the long-term was according to Rappaport not only the way of survival for the company but would inevitably lead to benefits for the stakeholders. While above he had employees, customers, suppliers and bondholders in mind when writing about stakeholders, he extended this by saying: "it is productivity that will provide the jobs and the tax base needed for the accomplishment of social goals that are more effectively addressed by the government than the private sector."[44]

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[40] A. Pike (2006), "'Shareholder value' versus the regions: the closure of the Vaux Brewery in Sunderland" *Journal of Economic Geography*, 6(2), p. 6

[41] A. Rappaport, *Creating shareholder value: the new standard for business performance* (New York: Free Press, 1998), p. 7

[42] Ibid.

[43] Ibid.

[44] Ibid.

For some this was not enough and although they understood the need for focusing on delivering shareholder value they questioned the theoretical underpinnings, a scholar of note is Luigi Zingales, to whom we will now turn.

2.4.2 Zingales

Although it seems that the questions – "why are managers seen as the agents of shareholders?" and "why do shareholders take precedence over managers or other stakeholders?" – were largely resolved in the nineties, the debate on the nature of the firm was – and is – still going on. Particularly the idea that the firm is a nexus of explicit and implicit contracts has added new insights and has led to a critical re-examination of the focus on shareholder value.

Incomplete contract theory mainly sprung forth from the observation that a contract can not be complete or exhaustive *ex ante* because "certain decisive elements of the relationship cannot be contracted at the start, giving it an indeterminate character from the outset."[45]

Zingales picked up on this thought and argued that when a firm is seen as a nexus of explicit and implicit contracts, shareholders are no longer the only residual claimants and this then makes the idea of focusing on delivering shareholder value less strong, as one of the main arguments in favour of it, is that the shareholders are the ones bearing risk.

In other words, the implicit contract theory draws the stakeholders in focus as they become a more significant part of the firm. Zingales even went as far as saying: "it then becomes unclear whether control should reside in the hands of the shareholders, because the pursuit of shareholders' value maximization may lead to inefficient actions."[46]

In an attempt to grapple with this change in understanding of the nature of the firm he suggested that employees should be given incentives to make firm-specific investments, as in this way the 'implicit' contracts involving the employees are strengthened.[47] This,

[45] M. Aglietta & A. Rebérioux, *Corporate Governance Adrift; a critique of shareholder value* (Northhampton: Edward Elgar Publishing, 2005), p. 37
[46] L. Zingales (2000), "In Search of New Foundations" *The Journal of Finance*, 4(55), p. 1635
[47] Ibid. p. 1646

however, is as far as it gets, in the end he still argues that voting rights should be given to shareholders.

A scholar that goes much further is Pierre Bourdieu to whom we will now focus our attention.

2.4.3 Pierre Bourdieu

Pierre Bourdieu was a prominent French Sociologist, primarily known for his opposition against neo-liberalism. He authored numerous books and articles of which his work *Distinction: A Social Critique of the Judgement of Taste* is best known.

His opposition to neo-liberalism came out well in an article in *Le Monde Diplomatique* where he lamented the globalisation of financial markets. In his opinion, the increased mobility of capital gave rise to a mounting pressure on corporations to conform to the wishes of shareholders. He said: "It gives investors concerned with the short-term profitability of their investment the possibility of permanently comparing the profitability of the largest corporations and, in consequence, penalising these firms' relative setbacks." [48]

In other words, Bourdieu perceived the increased power of shareholders as negative as these were forcing managers into decision making that was often to the benefit of the investors but at the expense of the stakeholders.

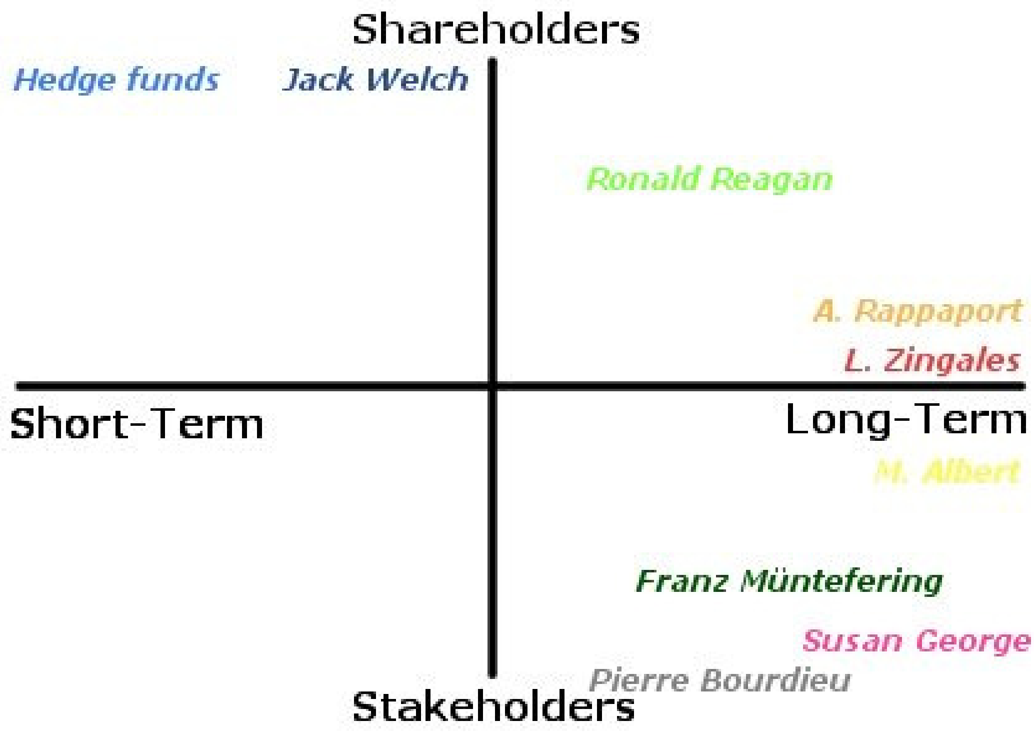
He did, however, not completely reject capitalism but argued for a situation where the state and society would interplay to come to a more or less social-democratic path.

Having come to the end of the selected perspectives, in the following section I will classify these in a figure.

[48] Pierre Bourdieu, "Utopia of Endless Exploitation", *Le Monde Diplomatique* December 1998

2.6 Classification of various views

Figure 2



Characteristics of the quadrants:

Short-term Shareholders
- Anglo-Saxon (mainly US)
- Management serves exclusively shareholders
- All [crucial] decision making is in the hands of the shareholders
- Stock exchange main source for finance
- Labour is mainly a traded service, which after rendered, absolves agent of any relationship to the corporation.
- Decisions are made top-down

Long-term Shareholders
- Inclusivistic vision
- Academic
- WIN-win
- Takes into account stakeholders as well

Long-term Stakeholders
- Shared decision making
- Sustainable growth
- Corporate Social Responsibility
- Rhineland
- Win-Win
- Mutual trust

3. Methodology

Having classified the various perspectives, it is now time to investigate how the concept shareholder value has been received in the Netherlands.

In order to achieve this we will proceed in the manner of an ethnographer. That is to say, we will try to describe the understanding and reception of shareholder value by the general populace - ranging from investor to ’the man on the street’, from the labour union to the manager - by connecting the various responses and thoughts to the backdrop at which they occur.[49]

This will be done by taking a sample of hundred Dutch newspaper articles that feature the word shareholder value[50], and analyze each article on the basis of a laid-out criteria, making this an *a priori* codified study. Though there is much to say for conducting interviews with the respective actors this would most probably not have led to the present sample size. Furthermore it would have been even more difficult to distinguish between *ist* and *soll*, as respondents are likely to eschew politically incorrect opinions and their actions as recorded in the articles are often speaking louder than their words.

Another reason why this method is chosen over conducting interviews is reliability (i.e. the possibility to attain consistent results) which is harder to achieve with interviews than with surveying newspaper articles. Despite the fact that at the end of the day these opinions have to be extracted from the text and require a great deal of interpreting, this is possible to be reproduced.

Still, the reader should be cautioned that most of these results are derived rather implicitly than from explicit statements or systematically worked out ideas on the subject. Hence when thinking about validity (i.e. the accuracy of the measure), there is a plus for conducting interviews where one can ask the respondent what he or she exactly means.

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[49] For more information on this approach see David Silverman, *Qualitative Research: Theory, Method and Practice* (London: Sage publications, 2004), ch. 2

[50] As the newspapers are in Dutch, I used the Dutch word for Shareholder value: “Aandeelhouderswaarde”

Another limitation of this method is its inability to capture unexpected observations. The results are expected to conform to the criteria employed, hence deviations are possible to go unnoticed or at least unmapped. However this does not necessarily need to impede the investigation as chapter two of this thesis has covered most ´schools´ of thought and, as is presented in figure 2, was able to classify these under three general headings; short-term & shareholders, long-term & shareholders, long-term & stakeholders.

The laid-out criteria wherewith the articles were surveyed consisted of:

- Short-term & Shareholders
- Long-term & Shareholders
- Short-term & Stakeholders
- Long-term & Stakeholders

Along with these general classifications, the agent’s perception of the concept was further divided in whether it was positive or negative and lastly the agents themselves were classified to the roles they play in society.

In total hundred newspaper articles were selected, fifty for the year 2006 and fifty for the year 2008. The sample included twenty articles by four large newspapers and four articles by five smaller newspapers. Even though there is a fifth large newspaper[51] in the Netherlands, five smaller newspapers were included in order to get hold of a broader spectrum.

On the next page is a table detailing the total hits per newspaper and a pie-chart that indicates the distribution of articles in the sample.

[51] Trouw

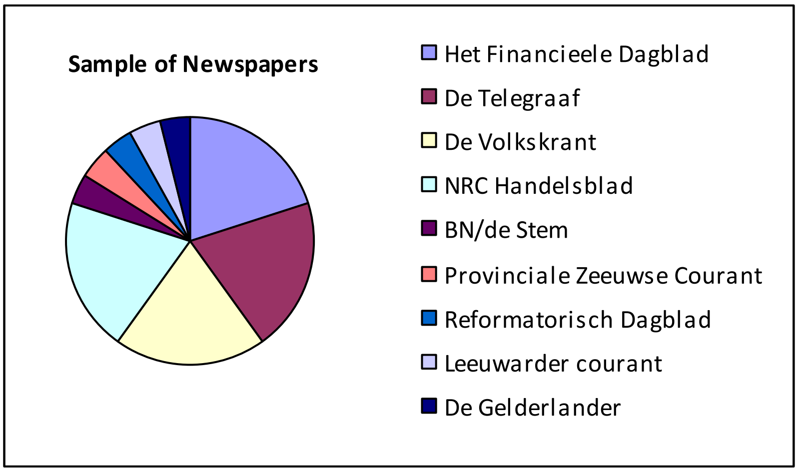
Table 1

HITS
Search term: "Aandeelhouderswaarde"

Newspaper	Year 2006	2008
Het Financieele Dagblad	84	79
De Telegraaf	10	29
De Volkskrant	12	14
NRC Handelsblad	17	18
BN/De Stem	5	4
Provinciale Zeeuwse Courant	5	2
Reformatorisch Dagblad	5	5
Leeuwarder Courant	5	4
De Gelderlander	5	7
Total	**148**	**162**
Selected	**50**	**50**

Some newspapers write more than others about shareholder value and as such a selection had to be made within these articles, e.g. in 2006 *Het Financieele Dagblad* has 84 hits hence the first article in series of eight articles was selected, to get an even spread over the year. A similar method was used when selecting articles from other newspapers.

Figure 3

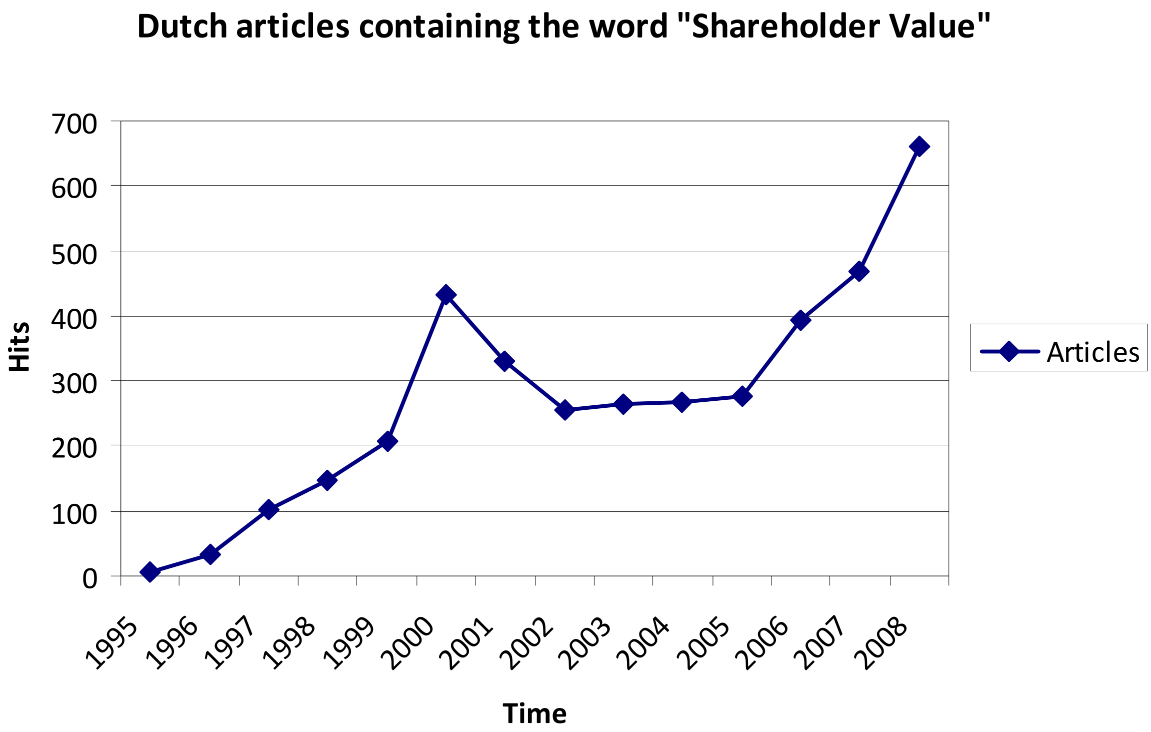


In this chapter, we laid out the methodology used in this study. The next chapter presents our results.

4. Survey of Articles

An interesting observation to start with is the trend that can be seen in the number of newspaper articles featuring the word shareholder value over time:

Figure 4



As noted above[52], the raider, or take-over movement started in the U.S.A. upon recognizing the value gap that existed in many companies, but only arrived in the second half of the nineties in Europe. When it did, the newspapers started writing more about shareholder value with a peak in 2001; when the European Union fell into a recession, that led to many layoffs and restructuring of businesses.

Although this may not be directly linked to a focus on delivering maximum value to shareholders, the stakeholders were the ones that were hit first, and the restructuring of the firms was in large part focused, at least first, on recapturing the loss in shareholder value (in the narrow sense of the value of the company). And the negative occurrences mainly stem from the losses that were incurred by the stakeholders.

[52] Section 2.1

After the economic recession in 2001 there is a drop in occurrences of the word which lasts for some years and from 2006 onwards it increasingly gets mentioned. Reasons for this can be found in the fact that two American Hedge funds made themselves and their colleagues notorious by attempting to force the great manufacturing and service corporation Stork to split as well as Ahold, but more on this in the next section.

4.1 Reception

The reception is organized in four parts. The first step is to look at how many positive and negative opinions were recorded in regard to shareholder value:

Table 2

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007 and 01/01/2008 - 01/01/2009

				Total in Percent	
Actors	**Positive**	**Negative**	**Total**	**Positive**	**Negative**
Investors	52	6	**58**	**90%**	**10%**
Managers	31	21	**52**	**60%**	**40%**
Politicians	8	4	**12**	**67%**	**33%**
Labour unions		3	**3**	**0%**	**100%**
Employees	1	1	**2**	**50%**	**50%**
"Man on the street"		4	**4**	**0%**	**100%**
Academics	3	6	**9**	**33%**	**67%**
Journalists	9	17	**26**	**35%**	**65%**
Total	**104**	**62**	**166**	*	
Total in percent	**63%**	**37%**	**100%**		

As can be seen the majority of opinions has a positive association with the term shareholder value, the greater part of this figure being determined by the investors. What is noteworthy is the outlook of managers who seem to be split between positive and negative. Another figure that pops out is the number of journalists that express a negative opinion.

The next table is concerned with the total opinions being concerned with the short-term or long-term.

*The discrepancy between the number of articles (100) and this number (166) is explained when taking into account that articles often contain more than one opinion

Table 3

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007 and 01/01/2008 - 01/01/2009

				Total in Percent	
Actors	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**
Investors	38	20	**58**	**66%**	**34%**
Managers	28	24	**52**	**54%**	**46%**
Politicians	4	8	**12**	**33%**	**67%**
Labour unions	3		**3**	**100%**	**0%**
Employees		2	**2**	**0%**	**100%**
"Man on the street"	4		**4**	**100%**	**0%**
Academics	6	3	**9**	**67%**	**33%**
Journalists	22	4	**26**	**85%**	**15%**
Total	**105**	**61**	**166**		
Total in percent	**63%**	**37%**	**100%**		

The distribution remains somewhat the same, which could indicate that their respective views are tied to the short- and long run. What is interesting is the distribution among journalists who are almost entirely in the left column, but also the investors that have a more even distribution than in the preceding table.

The third table is concerned with the association of shareholder value with shareholders or stakeholders.

Table 4

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007 and 01/01/2008 - 01/01/2009

				Total in Percent	
Actors	**Shareholders**	**Stakeholders**	**Total**	**Shareholders**	**Stakeholders**
Investors	56	2	**58**	**97%**	**3%**
Managers	47	5	**52**	**90%**	**10%**
Politicians	6	6	**12**	**50%**	**50%**
Labour unions	3		**3**	**100%**	**0%**
Employees	2		**2**	**100%**	**0%**
"Man on the street"	4		**4**	**100%**	**0%**
Academics	8	1	**9**	**89%**	**11%**
Journalists	25	1	**26**	**96%**	**4%**
Total	**151**	**15**	**166**		
Total in percent	**91%**	**9%**	**100%**		

In this table, any even distribution is left behind, the concentration is fully in the left column, which indicates that hardly any respondent in the sample associates stakeholders with shareholder value. This is interesting especially in light of the fact that many of the voices covered in section two stressed the inclusion of stakeholders. Fortunately this is not the last table, the next is a combination of all three:

Table 5

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007 and 01/01/2008 - 01/01/2009

	Short-term & Shareholders		**Long-term & Shareholders**		**Long-term & Stakeholders**		**Total**
Actors	Positive	Negative	Positive	Negative	Positive	Negative	
Investors	34	4	18			2	**58**
Managers	7	21	19		5		**52**
Politicians		4	2		6		**12**
Labour unions		3					**3**
Employees			1	1			**2**
"Man on the street"		4					**4**
Academics		6	2		1		**9**
Journalists	5	17	3		1		**26**
Total	**46**	**59**	**45**	**1**	**13**	**2**	**166**

This table grants insight into all three dimensions and brings out several interesting observations, which we will investigate in the following pages. A cursory look reveals that most opinions associate shareholder value with a short-term focus (105 out of 166) and that very few associate it with stakeholders (15 out of 166). Another observation is the distribution of actors over the sample, which is highly dominated by investors and managers, making up over 60% of the total opinions cited.

4.1.1 Investors

Short-term & Shareholders

The number that pops out first is the perception of investors on shareholder value, which is the highest figure in the table; it appears to be: short-term focused on shareholders and this is perceived as positive.

This seems reasonable in light of the fact that in most cases it is their (i.e. the investors') value that will increase as a result of a short-term focus on delivering shareholder value, or at least they expect this to take place. Especially for hedge funds that try to reap gains in the short run, this is a desirable state. Another reason for this high figure can perhaps be found in the belief that the maximization of shareholder value in the short run leads to a maximization in the long run, and will in the end lead to benefits for stakeholders as well.

Even though this figure seems plausible, it is important to note that there is no quote in any of the articles, where an investor explicitly says that he or she thinks it is positive to focus on delivering maximum shareholder value in the short run. These noted hits are based on statements and actions that implicitly arrive at such a conclusion, and do not always exclude the possibility of an overlap between short-term and long-term where the latter would flow forth from the former.

An example of how these implicit statements can be classified: in 2006 the hedge funds Paulson and Centaurus, aired their wish for Stork to split up, as this would increase, in their opinion, shareholder value. Notably in these discussions, the hedge funds solely discussed the short-term increase and long-tem gain that they would expect in shareholder value, where shareholder value was mainly defined as the share price, however absent from these discussions were the stakeholders and the fate of many employees that would lose their jobs as a result of the split up.

De Telegraaf is among the hits noted and even borrowed Müntefering's term for Centaurus and Paulson, saying "it is primarily not the continuity of the corporation or the interests of the employees and customers, but the shareholder value in the very short run that is the drive for the actions of these 'locusts'." [53]

The investors are, of course, not immune to these negative characterizations but the voices that speak up are overwhelmed, by 34 against 4.

[53] *De Telegraaf*, October 13, 2006, "Sprinkhanen": "Want het is primair niet de continuiteit van de onderneming of de belangen van werknemers en de afnemers, maar de aandeelhouderswaarde op de zeer korte termijn die leidraad is voor het handelen van deze 'sprinkhanen'."

Long-term & Shareholders

As pointed out in the preceding section, the high figure for investors that are positive about focusing in the short term on shareholders may be caused by the belief that the long term is made by the short term. While there is some truth to this, this relationship may perhaps better be characterized by a two-way relationship; where a focus on the long-term focus on shareholders effects the short-term focus and vice versa.

This perspective is found in 18 cases, which is relatively high when compared to the recorded opinions of investors; 58. A case where this is often displayed is when there are strong ties between the investors and the firm, e.g. a corporation grown out of a family business where the family is still in control of the firm. One of the articles in the sample is concerned with the corporation Anheuser-Busch, that was facing a possible takeover by InBev (which eventually took place on 13 July 2008).

Some family members were in favour of the acquisition but others were thinking about the legacy that had been built by their family; "[…] a huge dilemma. A choice for the Belgians [i.e. InBev] will lead to huge gains, however it will make him [i.e. August Busch IV] go down in history as the man that squandered the family-business."[54]

Other occurrences are found in investors that belong to the tradition of Rappaport, who believe that a focus on shareholder value will in the end lead to an increase in value for stakeholders as well.

Long-term & Stakeholders

Close to zero of the views recorded fall into this group. The foremost reason seems to be because most investors do not think this is beneficial for their returns, and imply this by their positive outlook on focusing on shareholders in the short run.

[54] *De Telegraaf*, 1 June 2008, "Amerikaanse brouwer heeft bier in genen": "[…] een enorm dilemma. Een keuze voor de Belgen levert weliswaar veel geld op, maar zal hem de geschiedenis in doen gaan als de man die het familiebedrijf verkwanselde."

An example in the sample is the negative reaction by the VEB (Society of Securities) on the instalment of two commissioners, by the Dutch government, to introduce the Rhineland model[55] to the the ING bank.[56]

4.1.2 Managers

Short-term & Shareholders

In many of the articles managers (often CEO's), have been more explicit than investors about their view on the maximization of shareholder value in the short term; it is mostly perceived as negative, 21 occurrences, against 7 positive. Similar to the motivation of investors noted above, one factor in this seems to be the need to protect their own skins. CEO's are often the first one's that are replaced by shareholders and hence they become nervous when there are rumours about takeovers and split-ups.

In addition to this there is another factor which is captured well in one of the responses in the selected articles: "we are not busy managing our shareholders but our companies"[57] This seems indeed to be a big drive behind their reserved feelings, they are mainly focused on managing the firm, delivering sustainable growth that will result in the perpetuity of the company and its stakeholders. Needless to say this includes the shareholders, however the radical ideas of splitting up and doing away with the headquarters is sometimes a bit too much for the ones in charge who are actually dealing with these people and fear that they might become redundant themselves as well.

An interesting study conducted by Graham et al. found that 78% of managers are practicing earnings smoothening[58] which opens the possibility that the attitude found through the survey falls under *soll* and their finding under *ist*. In other words, the finding in the table possibly reflects what they think it should be, while in practice, again possibly to protect their own skins, they are practicing in accordance with this quadrant.

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[55] See section 2.2.3

[56] *De Volkskrant*, 24 October 2008, "ING wordt 'linkser' met supercommissarissen"

[57] *De Volkskrant*, 8 July 2006, "Als je haast hebt, moet je kleine stappen nemen": "Wij zijn niet bezig onze aandeelhouders te managen, maar onze bedrijven."

[58] Graham et al. (2005), "The Economic Implications of Coporate Financial Reporting", *Journal of Accounting & Economics* 40, p. 5

Long-term & Shareholders

Managers seem to be much more receptive to the idea of focusing on delivering shareholder value in the long term, 19 positive hits. Possibly this is the case because in this way they are able to satisfy not only the shareholders but the stakeholders as well.

A CEO, in the sample, said that in the creation of economic value: "it is all about shareholder value, but at the same time about growth in revenues, innovation, development of new markets, customer satisfaction and profit for new investments."[59] This evinces a long term approach where shareholder value is the focus but the means are – contrary to the short-term focus – not earnings smoothening and the like but efforts that will most likely result in sustainable (shareholder) value.

Long-term & Stakeholders

Apparently there are managers that take this a step further and argue for a focus on stakeholders. Among the sample, the chairman of the board of the Rabobank wrote a piece in *De Gelderlander* calling for an abandonment of the Anglo-Saxon model in favour of the Rhineland model: "We must go back to the Rhineland model, where clients, personnel, creditors and shareholders together, in good cooperation set out the course."[60]

This is a significant voice but as can be seen in Table 5 one of the few managers that is recorded in this quadrant. Another manager in the sample, who heads a consultancy specialized in talent- and organizational development, wrote that instead of focusing in the short-term on delivering shareholder value, businesses should be more focused on developing knowledge- and talent programmes.[61]

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[59] *Het Financieele Dagblad*, 16 August 2006, Corporate Governance is nog niet in balans: "Daarin gaat het om aandeelhouderswaarde, maar tevens om groei van omzet, innovatie, ontwikkeling van nieuwe markten, klanttevredenheid en winst voor nieuwe investeringen"

[60] *De Gelderlander*, 3 December 2008, "Beperk de almacht van de beurs": "We moeten terug naar het Rijnlandse model, waarbij clienten, personeel, crediteuren en aandeelhouders samen, in goed overleg de dienst uit maken."

[61] *Het Financieele Dagblad*, 9 Februrary 2008, "Echt investeren in kennis"

4.1.3 Politicians

Short-term & Shareholders

A third of all politicians included in the survey appears to be negative about focusing in the short-term on shareholders (4 out of 12). This does not come as a surprise as this quadrant is not really politically-correct. Even liberals tend to shy away from an explicit embrace of focusing on shareholder value in the short-term.

One of the politicians that was classified in this quadrant is Pieter van Geel, CDA's parliamentary leader, who calls for stricter rules and regulations to fight 'locust' behaviour.[62] Monika Sie Dhian Ho, member of his coalition partner PVDA, echoes to some extent his view in an interview with *De Volkskrant*. She suggested that capitalism should be bridled and employees should get more influence on the governance of the corporation, she envisioned Europe as a moral example to the rest of the world in showing that not everything is about shareholder value.[63]

Long-term & Shareholders

Relatively few politicians came out in this quadrant. A possible reason for this can be that politicians, in public statements, often strengthen a commonly held view or attack it. Nuance is often lacking in those discussions and this contrasts with this quadrant which is relatively nuanced in that it presents not an extreme position but lies somewhere in the middle.

Ronald-Henk Ritsma, who is active in the VVD, is classified in this quadrant. He wrote a piece in *Het Financieele Dagblad*, on how to stimulate innovation in the Netherlands, where he argued that a shift to business-innovation should take place where the general aim is to generate shareholder value. This, he argues, will in the long-term lead to a solution for the problem of Dutch companies having a relatively low value on the stock exchange.[64]

[62] *Het Financieele Dagblad*, 20 May 2008, "Combineer kracht van twee ondernemingsmodellen"
[63] *De Volkskrant*, 29 November 2008, "Kredietcrisis is buitenkans voor Europa"
[64] *Het Financieele Dagblad*, 23 September 2008, "Innovatie is vooral cultuurkwestie"

Long-term & Stakeholders

This quadrant is more populated than the former (6 out of 12). One of the reasons for this lies in the fact that this is a major point on the agenda for parties to the left of the political spectrum.

Among those noted, one remark stood out: "the socialists are entering Wall Street".[65]
This was stated by the current Minister of Finance, Wouter Bos, in a debate with two fellow economists.

In light of the fact that a month later he spoke about introducing the Rhineland model[66] to the ING bank, this carries quite some weight. It seems to point to a desire for the corporate world to turn from a short-term focus on shareholder value to a long-term focus on stakeholders.

A party member of Minister Bos, Kris Douma, shared this desire and started his op-ed piece in *Het Financieele Dagblad* with: "Stop with the expansion of shareholder-power. Give more power to stakeholders."[67] He further argued that a complete rejection of shareholder value was not necessary but a re-focus in which stakeholders have a bigger influence and efforts would be put into strengthening the competitive position and enabling continuity.

These remarks are interesting because recent events seem to suggest that the power ascribed to shareholders is rather limited. Examples are the (initially ignored) protests by shareholders against the supervisory boards of Shell and Philips with respect to the bonuses they wanted to pay. But also the case of ABN-AMRO bank, where the Supervisory board and Board of Directors for the most part did not let their hands be tied by the shareholders.

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[65] *NRC Handelsblad*, 27 September 2008, "Failliet ultra-kapitalisme móet gevolgen hebben in Nederland": "de socialisten Wall Street binnenmarcheren"
[66] See section 4.1.1
[67] *Het Financieele Dagblad*, 16 August 2006, "Corporate governance is nog niet in balans": "Stop met uitbreiden aandeelhoudersmacht. Geef meer invloed aan stakeholders."

The corporate governance code *Tabaksblat* also seems to indicate the presence of an old boys network that has much of the power that is ascribed to the shareholders in the remarks of Douma and minister Bos.[68]

4.1.4 Labour Unions

Unfortunately the sample contains only three recorded opinions by labour unions. What is telling is that these are all in the same quadrant, that of short-term & shareholders & negative. This was to be expected as the employees they represent are most often among the victims when investors that are focused on the short-term, such as hedge funds, march in.

One article features the chairman of the FNV (major Dutch labour union), who says with respect to the operations of hedge funds and other short-term focused investors: “we want an end to the stripping, skinning and destroying”.[69] In his view this short-term focus will lead to a neglect of renewal investments and research that will make the way for the continuity of the corporations and its stakeholders.

4.1.5 Employees

In some firms employees receive a part of their income in the form of stocks, and this possibly explains why some perceive a focus in the long-term on shareholder value as favourable . Firstly because they are also shareholders but also because they believe that in the long-term they as stakeholders will also benefit from this approach. This group however is not substantial in practice, as this goes more for upper-management than regular employees.

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[68] But see a recent study carried out by R.B.H. Hooghiemstra, A. de Jong,
G.M.H. Mertens and P.G.J. Roosenboom that indicates that many firms have been receptive to the code and are increasingly incorporating it. “Bedrijven op goede weg met code-Tabaksblat”, *Economische Statistische Berichten* (2004), 15 October, pp. 502-504

[69] *NRC Handelsblad*, 26 August 2006, “FNV komt in actie tegen durfkapitaal; Niet 'stropen en slopen'”: “Wij willen een eind maken aan het strippen, stropen en slopen”

In the table there is also an opinion recorded that sees the focus on shareholders, even in the long-term, as negative, on the face of it this is an odd observation, a possible explanation may be that some employees see themselves as the principal agents in delivering value and carrying the company and hence expect the focus to be them rather than the shareholders, whilst forgetting that a large part that keeps the company going and pays their salaries comes from the shareholders.

In other words when a company focuses on shareholders and only implicitly on its stakeholders, it is possible that employees feel like they are by-passed, as in their view, their role is much greater and hence deserves more reward.

4.1.6 Man on the Street

The only recorded associations of the 'man on the street' with shareholder value, are 'short-term focused' on shareholders and this is perceived as negative. An example can be the reaction on cuts having to take place: "these CEO's work solely for the increase of shareholder value (and with that their own pockets). They often forget that they eat and live at the expense of their employees." [70]

This is a typical reaction that is resounded in the other observations as well: "[…] looking too much at the short-term and neglect the interests of others in the company."[71]

The man on the street seems to feel that in most of these endeavours the stakeholders are highly marginalized and hence is negative about this focus.

4.1.7 Academics

Short-term & Shareholders

Academics are, as expected, highly negative about this approach (6 over 9). Among the observations, there are several reasons brought forth. One of them is the notion that the

[70] *De Gelderlander*, 3 July 2008, Internetreacties: "Deze bestuurders werken uitsluitend voor vergroting van de aandeelhouderswaarde (en daarmede voor hun eigen portemonnee). Zij vergeten maar al te vaak dat zij eten en leven over de rug (en gezondheid) van de werknemers."
[71] *De Volkskrant*, 28 March 2006, Actieve aandeelhouders zijn zegen voor bedrijf: "[…] te veel naar de korte termijn kijken en de belangen van andere belanghebbenden in het bedrijf veronachtzamen."

short-term focus is among the causes for economic distress.[72] Especially in light of the credit-crisis this argument has assumed force.

Another academic notes that some markets are not prepared for this kind of approach, e.g. the health care sector, where a short-term focus leads to socially undesirable consequences,[73] e.g. doctors recommending various products that the clients do not need but widen the margins, hospitals picking and choosing clients that are profitable, etc.

Though this is more about the market mechanism, a focus on shareholder value is inseparable from this.

Similar to the man on the street it is the lack of benefits for stakeholders, or damage inflicted on stakeholders, that leads them to reject this focus. As the next section shows they are more inclined to the model of Rappaport, where in the end all [are to] benefit.

Long-term & Shareholders

The low figure (2 out of 9) in the table should not give the impression that there are few academics that fall in this quadrant. This is more likely due to the sample size and the fact that most of these articles in newspapers differ from academic journals in their audience.

Though most economists are in favour of the model as described by Rappaport, experience seems to have taught them, that an implicit focus on stakeholders is not enough. Hence several of the academics[74] in the sample argue for a mix of the Anglo-Saxon model and the Rhineland model.

[72] *De Gelderlander*, 14 April 2006, ONDERZOEK - 'Fusiegolf kan economie ernstig schaden'

[73] *Leeuwarder Courant*, 4 December 2006, Marktwerking in de Zorg

[74] Dr.ir. P. Prud'homme in *Het Financieele Dagblad*, 20 mei 2008 dinsdag, “Combineer kracht van twee ondernemingsmodellen” and Prof.dr.ir. R. Goodijk in *Leeuwarder Courant*, 24 december 2008 woensdag, “Bewaker van bedrijven”

Long-term & Stakeholders

Some feel that this mixture is not enough and argue for a complete focus on stakeholders, this comes to its fullest expression in their abhorrence of the results of the Anglo-Saxon model.

They point to the value destruction that has taken place as a result of the focus on shareholders: job losses, exceptionally high salaries for CEO's, the disappearance of many companies, and some would even say economic distress.

Furthermore they feel that many managers prone to please their shareholders were largely focused on delivering value with short term instruments as earnings smoothening or mergers and acquisitions but forgot to invest in innovation[75] and make use of instruments that would deliver sustainable growth. Employees were often the first that were hit by this focus and hence these academics argue for a turn-around that will focus explicitly on stakeholders and only implicitly on shareholders.

4.1.8 Journalists

Short-term & Shareholders

22 out of 26 recorded opinions fall into this quadrant with an overwhelming majority seeing it as negative (17 out of 22). The primary reason for this seems to be because many journalists see the short-term focus on shareholders taking place at the expense of the stakeholders.

One column writer argues that: "in a market economy the primary function of a corporation is to serve its customers. The customer is king, not the shareholder." But not only the customer is brought [back] into focus, also the employees are: "a corporation is a place where people can develop their creative talents… personnel is not a cost that has to be kept as low as possible, in order to increase the profits for shareholders."[76]

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[75] *NRC Handelsblad*, December 17, 2008, 'Opties in aandelen schandalig' Hoogleraar William Lazonick over de Amerikaanse economie

[76] *De Telegraaf*, August 26, 2006, Klant vs. Aandeelhouder: "In een markteconomie is de eerste functie van een onderneming om zijn klanten goed te bedienen. De klant is koning, niet de aandeelhouder… een onderneming de plaats waar mensen hun creatieve talenten kunnen ontplooien… personeel is niet een kostenpost die zo laag mogelijk moet worden gehouden, opdat de aandeelhouders een hogere winst kan worden voorgetoverd."

This captures a prevailing attitude among those journalists that are negative about a short-term focus on shareholders. They see the investors who operate in that manner as 'locusts' that cause value destruction instead of value creation,[77] not only in monetary terms but also in the job losses that occur as a result of the mergers and acquisitions.

There are, however, also positive reactions, 5 out of 22, but these are mainly journalists who equate shareholder value with the share-price and one could wonder whether it is a good idea to assign these to this quadrant.

Long-term & Shareholders

Very few journalists wrote about their view on pursuing shareholder value in the long term. A possible reason for this can be that most of the articles are concerned with current events, such as the desire of certain hedge funds for Stork to split their two main divisions or the recognition of certain trends that seem to point to an economic crisis.

Among those who did, one journalist pointed out the 'hypocrisy' present with those that called for fiscal barriers to foreign investors (in particular hedge funds) while rejoicing at the fact of an increased presence abroad.[78] Whilst another focused on an observation that take-overs resulted in value creation.[79]

Long-term & Stakeholders

The table shows only one opinion and this comes as a surprise. There were plenty of events that would have paved the way for a dozen of articles on how the focus on shareholders should be shifted to stakeholders. A possibility is to read in the numerous negative reactions towards a short-term focus on shareholders a positive attitude to a shift towards stakeholders. In that case there would be a majority, and this would not seem improbable.

The article that is included in the sample did have some interesting features, one of which is its distinguishing between managers and bosses. Managers being described as "adequate

[77] *NRC Handelsblad*, April 7, 2006, "Warren Buffett geeft verkeerd signaal"
[78] *De Gelderlander*, August 29, 2006, Argusogen
[79] *De Volkskrant*, April 5, 2006, sectie: Economie

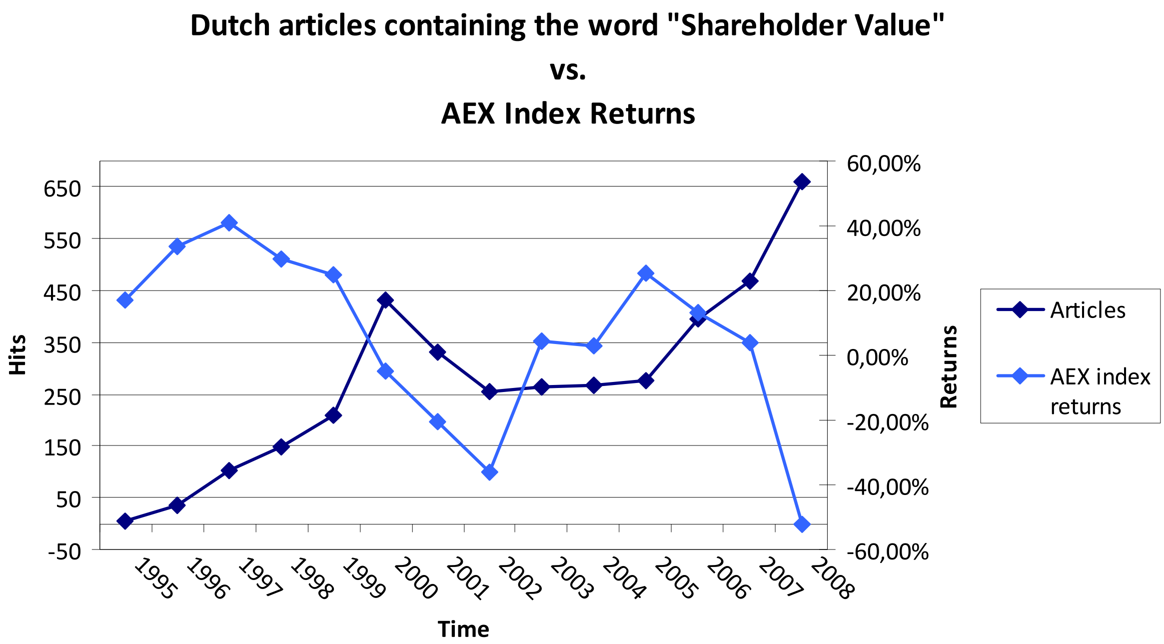
designers and executers of technical plans" and bosses as people with care and responsibility for the people they work with.[80] This rings of a stakeholder focus, where employees are not seen as a cost to be minimized but as a vital component in the firm that needs to be cherished.

And with that all results have been covered, and only one research question remains: the impact of the credit-crisis on the reception of shareholder value. This question will be addressed in the next section.

4.2 Impact of Credit-Crisis

In order to investigate the reception of shareholder value during the credit-crisis the returns of the AEX Index have been plotted in a graph coupled with the total Dutch articles containing the word shareholder value.

Figure 5



There is a correlation of -.7096 which is quite strong. Though the number of observations is rather small (14), this does not negate this remarkable trend. Particularly since these

[80] *NRC Handelsblad*, March 29, 2008, Iedereen heet professional maar bijna niemand is het

observations can be split into many smaller time periods enlarging the set [and perhaps significance].

Hence it seems reasonable to posit a negative correlation where *there are more articles being written concerning shareholder value during times of economic peril* and less attention is given during more favourable times.

Note that causality is not posited, where the number of articles concerned with shareholder value follows from the economic situation, as it is much more likely that this kind of causality holds true for the market-mechanism in general while shareholder value is only one its attributes.

It seems that during times of economic peril, people start looking around for causes or factors that have contributed to this state, in order to find solutions to getting out of this state. The most up-to-date example would be the attention devoted by many articles to the current (or pre-crisis) financial system, to see what its flaws where, and what should be changed to limit further systemic risk.

An example of this kind of attention is one of the articles in the sample by the *NRC Handelsblad* titled: “Failed ultra-capitalism must have consequences in Holland”, where the author, among other things, argues that the free-market based policy did not deliver its promised results but rather [an overreliance on it] paved way for the current economic distress[81].

In the same newspaper the Minister of Finance, Wouter Bos, wrote an op-ed piece in which he pointed to the negative - but inevitable - consequences of capitalism coupled - or interrelated - with globalization and ended his writing by saying that the credit-crisis points to the shortcomings of the neo-liberal model.[82]

[81] *NRC Handelsblad*, September 27, 2008, “Failliet ultra-kapitalisme móet gevolgen hebben in Nederland”
[82] *NRC Handelsblad*, September 16, 2008, “There are Real Alternatives”

It is telling that these kind of articles are mostly written during times as these, and *De Volkskrant* also concludes this in an article titled "Crisis as smoking gun", writing that 'the left' is using these times to batter capitalism while forgetting that history teaches socialism is not the 'all-encompassing answer' either.[83]

Another way of looking into this phenomenon is by dissecting the results of 2006 and 2008:

Table 6

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007

				Total in Percent	
Actors	**Positive**	**Negative**	**Total**	**Positive**	**Negative**
Investors	34	2	**36**	**94%**	**6%**
Managers	15	14	**29**	**52%**	**48%**
Politicians	2	1	**3**	**67%**	**33%**
Labour unions		3	**3**	**0%**	**100%**
Employees	1		**1**	**100%**	**0%**
"Man on the street"		2	**2**	**0%**	**100%**
Academics		3	**3**	**0%**	**100%**
Journalists	7	9	**16**	**44%**	**56%**
Total	**59**	**34**	**93**		
Total in percent	**63%**	**37%**	**100%**		

And for 2008:

Table 7

Search term: "Aandeelhouderswaarde"

01/01/2008 - 01/01/2009

				Total in Percent	
Actors	**Positive**	**Negative**	**Total**	**Positive**	**Negative**
Investors	18	4	**22**	**82%**	**18%**
Managers	16	7	**23**	**70%**	**30%**
Politicians	6	3	**9**	**67%**	**33%**
Labour unions					
Employees		1	**1**	**0%**	**100%**
"Man on the street"		3	**3**	**0%**	**100%**
Academics	3	3	**6**	**50%**	**50%**
Journalists	2	7	**9**	**22%**	**78%**
Total	**45**	**28**	**73**		
Total in percent	**62%**	**38%**	**100%**		

Overall the distribution seems to remain the same, striking is the fact that the number of managers that are positive about shareholder value has increased whilst the number of

[83] *Volkskrant*, November 25, 2008, "Crisis als smoking gun"

investors has decreased, yet note that we have not looked yet at which ‘face’ of shareholder value they see as positive, on that the next table sheds light:

Table 8

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007

				Total in Percent	
Actors	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**
Investors	28	8	**36**	**78%**	**22%**
Managers	17	12	**29**	**59%**	**41%**
Politicians	1	2	**3**	**33%**	**67%**
Labour unions	3		**3**	**100%**	**0%**
Employees		1	**1**	**0%**	**100%**
"Man on the street"	2		**2**	**100%**	**0%**
Academics	3		**3**	**100%**	**0%**
Journalists	14	2	**16**	**88%**	**13%**
Total	**68**	**25**	**93**		
Total in percent	**73%**	**27%**	**100%**		

And for 2008:

Table 9

Search term: "Aandeelhouderswaarde"

01/01/2008 - 01/01/2009

				Total in Percent	
Actors	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**
Investors	10	12	**22**	**45%**	**55%**
Managers	11	12	**23**	**48%**	**52%**
Politicians	3	6	**9**	**33%**	**67%**
Labour unions					
Employees		1	**1**	**0%**	**100%**
"Man on the street"	3		**3**	**100%**	**0%**
Academics	3	3	**6**	**50%**	**50%**
Journalists	7	2	**9**	**78%**	**22%**
Total	**37**	**36**	**73**		
Total in percent	**51%**	**49%**	**100%**		

And indeed a shift in the distribution seems to have taken place, where there is an increase in the emphasis on the long-term. Hence most probably the ‘face’ of shareholder value they perceive as positive is the long-term, but more on this in the last table.

It does seem natural, that in a time of crisis people are more prone to look for long-term benefits as they realize that through the pursuit of the short-term they have lost the long-term. Even investors who, as we saw in the preceding section, are characterized foremost with the short-term pursuit of shareholder value appear now to favour the long-term pursuit.

The next table takes us yet one step further:

Table 10

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007

Actors	**Shareholders**	**Stakeholders**	**Total**	**Total in Percent** **Shareholders**	**Stakeholders**
Investors	36		**36**	**100%**	**0%**
Managers	29		**29**	**100%**	**0%**
Politicians	2	1	**3**	**67%**	**33%**
Labour unions	3		**3**	**100%**	**0%**
Employees	1		**1**	**100%**	**0%**
"Man on the street"	2		**2**	**100%**	**0%**
Academics	3		**3**	**100%**	**0%**
Journalists	16		**16**	**100%**	**0%**
Total	**92**	**1**	**93**		
Total in percent	**99%**	**1%**	**100%**		

And for 2008:

Table 11

Search term: "Aandeelhouderswaarde"

01/01/2008 - 01/01/2009

Actors	**Shareholders**	**Stakeholders**	**Total**	**Total in Percent** **Shareholders**	**Stakeholders**
Investors	20	2	**22**	**91%**	**9%**
Managers	18	5	**23**	**78%**	**22%**
Politicians	4	5	**9**	**44%**	**56%**
Labour unions					
Employees	1		**1**	**100%**	**0%**
"Man on the street"	3		**3**	**100%**	**0%**
Academics	5	1	**6**	**83%**	**17%**
Journalists	8	1	**9**	**89%**	**11%**
Total	**59**	**14**	**73**		
Total in percent	**81%**	**19%**	**100%**		

A striking difference is the number of opinions (from 1 to 14) that associate stakeholders with shareholder value. A possible reason could be that during the crisis actors feel that the short-term pursuit of shareholder value has inflicted damage not only to the shareholders but also to the stakeholder hence the call for a re-alignment of interests.

The last table summarizes these three tables:

Table 12

Search term: "Aandeelhouderswaarde"

01/01/2006 - 01/01/2007

	Short-term & Shareholders		**Long-term & Shareholders**		**Long-term & Stakeholders**		**Total**
Actors	Positive	Negative	Positive	Negative	Positive	Negative	
Investors	26	2	8				**36**
Managers	3	14	12				**29**
Politicians		1	1		1		**3**
Labour unions		3					**3**
Employees			1				**1**
"Man on the street"		2					**2**
Academics		3					**3**
Journalists	5	9	2				**16**
Total	**34**	**34**	**24**	**0**	**1**	**0**	**93**

And for 2008:

Table 13

Search term: "Aandeelhouderswaarde"

01/01/2008 - 01/01/2009

	Short-term & Shareholders		**Long-term & Shareholders**		**Long-term & Stakeholders**		**Total**
Actors	Positive	Negative	Positive	Negative	Positive	Negative	
Investors	8	2	10			2	**22**
Managers	4	7	7		5		**23**
Politicians		3	1		5		**9**
Labour unions							**0**
Employees				1			**1**
"Man on the street"		3					**3**
Academics		3	2		1		**6**
Journalists		7	1		1		**9**
Total	**12**	**25**	**21**	**1**	**12**	**2**	**73**

Here it becomes clear that a radical shift has taken place with the advent of the crisis: instead of an equal distribution in the perception of short-term shareholder value (34 positive against 34 negative), the opinions as recorded in 2008, turn this to only 12 positive and 25 negative opinions. In part this number is based on the drop among investors to [openly] support a model that focuses in the short-term on shareholders. However note that the number of investors in the sample also decreased, which could explain this observation.

The positive association of managers seems largely to fall between the long-term pursuit of share- and stakeholders value. Interestingly, before the crisis their positive association included only shareholders but during the crisis we have recorded several opinions that include the stakeholders as end focus as well.

Another interesting observation is the number of politicians in our sample to speak up in 2008, which increased from 3 to 9, making up almost half of the opinions stressing a focus on stakeholders. This too seems to be a response to the crisis where politicians feel its important to convey their position to their voters.

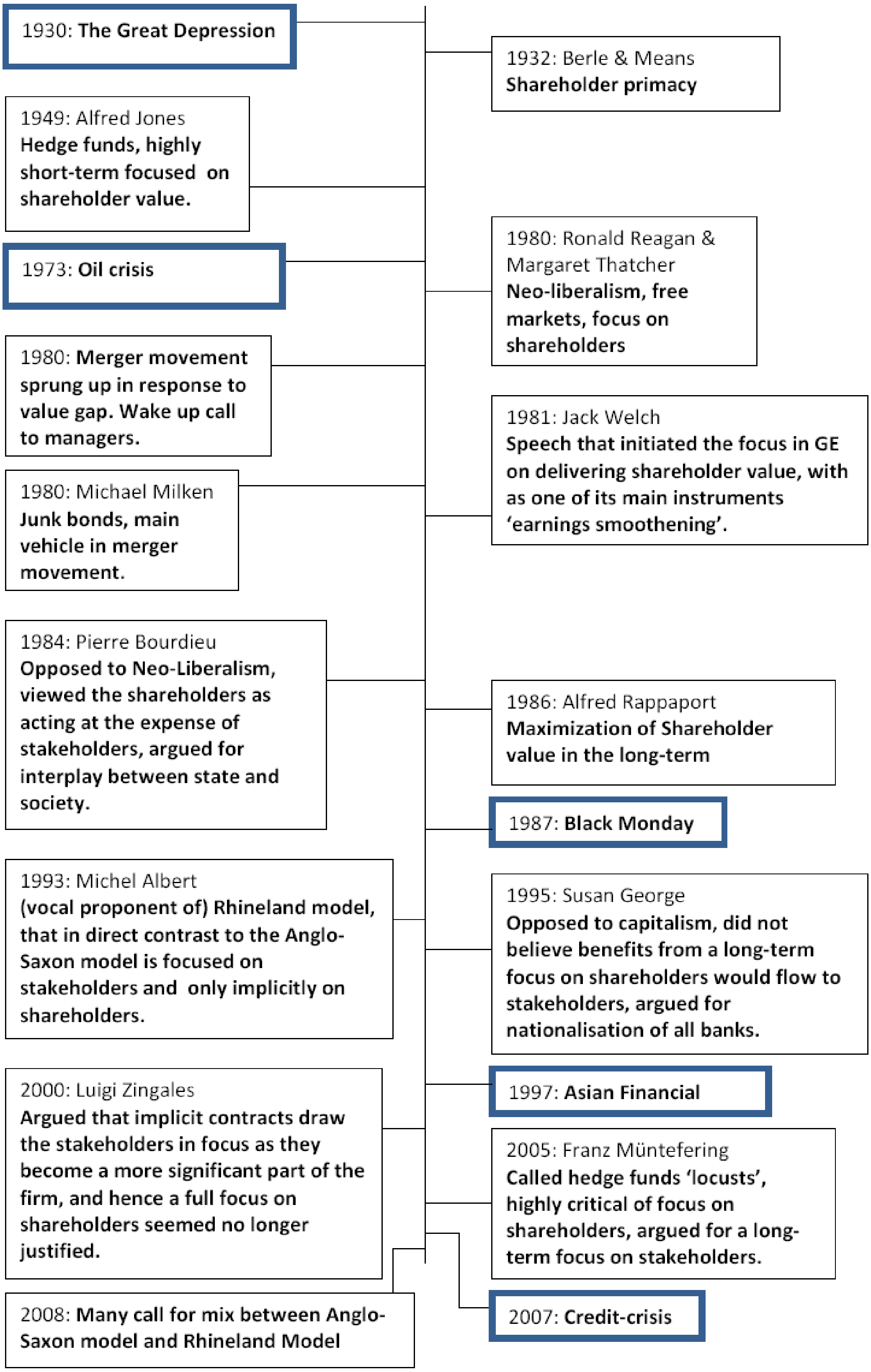
These observations all seem to bolster evidence for the noted idea that *during times of economic peril, shareholder value (which is intrinsically linked to capitalism) receives increasing attention among the general populace.*

The observation drawn from the table that especially the popularity of the pursuit of shareholder value in the short-term dropped considerably; from 37% positive to only 16%, also gives reason to suspect *that the negative reception of shareholder value pursued in the short-term is correlated with economic peril*.

5. Summary & Conclusions

The chart presented below summarises the *start, development and current heading* of the concept of shareholder value:

Figure 6



As can be seen in the chart, the concept of shareholder value evolved from a call to shareholder primacy in 1932, to a full-blown focus on shareholder value in the 1980s. The chart exhibits various voices as to what shareholder value should entail, ranging from short-term shareholder focused to long-term Rhineland-ish thoughts. However, the overall trend seems to be heading towards a long-term focus on shareholder value that includes delivering benefits to the stakeholders as one of its ends.

In accordance with our results the crisis's seem to spark new directions, e.g. parallel to the great depression Berle and Means voiced their concerns, after the oil crisis and the consequent stock market crash, Reagan and Thatcher started their campaign to introduce neo-liberalism, and of course in our day, with the credit crisis, the call for a focus that consists of a mixture between stakeholders and shareholders is issued.

It appears that within the current heading the preference for an emphasis on shareholders or stakeholders is mostly influenced by the respective position of the agent in the political spectrum. Where to the right of most would embrace a primary focus on shareholders and only secondarily – or implicitly – on stakeholders, and more to the left the opposite of this; focus on stakeholders which will in the end lead to benefits for the shareholders as well, as these are also stakeholders.

This conclusion brings a correction to Welch's statement: the pursuit of shareholder value *an sich* is not the dumbest idea, to the contrary, it seems that most would embrace it when it is a long-term focus that takes into account the stakeholders or an adapted form that combines the long-term pursuit of share- and stakeholder value. It is *his* notion of shareholder value that most seem to consider a 'dumb' idea and *passé*: highly short-term focused, quarterly earnings, earnings smoothening, etc.

Reception in the Netherlands

The reception of shareholder value in the Netherlands has been mixed. In general, a long-term focus on shareholder value seems to be accepted and a short-term focus tends to be rejected. A noteworthy finding is that a long-term focus on stakeholders comes out in times of economic peril, but seems not to be preferred during more favourable periods.

The dependence of the reception on the state of the economy came out well, which became clear by the observation of the negative correlation between the number of newspaper articles concerned with shareholder value and the returns of the AEX-Index. Another finding supporting the dependence of the reception on the economic situation is the emphasis on stakeholders during downturns.

The trend, as pointed out in the preceding section, seems to hold largely for the Netherlands as well. This is evinced in the repeated calls that have been issued for a mix between the Anglo-Saxon model, that focuses on delivering shareholder value in the long-term and the Rhineland model that focuses on delivering long-term value to the stakeholders. Whether this will be achieved is hard to predict, but in itself it looks like a viable approach.

Further research

An interesting question would be whether managers of firms that are listed on a stock exchange are more prone to focus on delivering shareholder value than managers of firms that are not listed. Some of the results suggest this, and this would seem plausible, as firms that are listed are exposed to much more foreign capital where the relationships between shareholder and corporation are first and foremost focused on the trade part and only secondly, though obviously linked, to the growth and perpetuity of the company.

Another research question could be whether this call for a mixture between the Anglo-Saxon model and the Rhineland model will remain or is mainly a response to the current economic climate.

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Appendix | Overview of articles

	Newspaper	Title	Date	Opinions
1	BN/DeStem	Stork weer flink onder druk gezet; Durfkapitalisten willen splitsing	September 8, 2006	**INV_ST-SH_POS, LAB_ST-SH_NEG**
2	BN/DeStem	Overname Stork niet haalbaar; Concern stopt gesprekken	July 5, 2006	**MAN_LT-SH_POS, INV_ST-SH_POS**
3	BN/DeStem	Pas volgend voorjaar is er meer duidelijkheid over de toekomst van Fortis	December 2, 2008	**INV_LT-SH_POS**
4	BN/DeStem	Het doet mij plezier dat de AEX weer wat Nederlandser wordt - Een anorexia	June 17, 2008	**INV_ST-SH_NEG**
5	De Gelderlander	No title	August 29, 2006	**LAB_ST-SH_NEG, JOUR_LT-SH_POS, INV_ST-SH_POS**
6	De Gelderlander	ONDERZOEK -'Fusiegolf kan economie ernstig schaden'	April 14, 2006	**ACAD_ST-SH_NEG, JOUR_ST-SH_NEG**
7	De Gelderlander	Beperk de almacht van de beurs	December 3, 2008	**MAN_ST-SH_NEG, MAN_LT-ST_POS**
8	De Gelderlander	INTERNETREACTIES	July 3, 2008	**MSTR_ST-SH_NEG**
9	De Telegraaf	Een bankier met ambitie	December 12, 2006	**MAN_LT-SH_POS, EMP_LT-SH_POS, INV_ST-SH_POS**
10	De Telegraaf	Ctac houdt vast aan SAP	December 10, 2006	**MAN_LT-SH_POS**
11	De Telegraaf	Sprinkhanen	October 13, 2006	**INV_ST-SH_POS, MAN_ST-SH_NEG, JOUR_ST-SH_NEG**
12	De Telegraaf	Klant vs. Aandeelhouder	August 26, 2006	**MAN_ST-SH_NEG, INV_ST-SH_POS, JOUR_ST-SH_NEG**
13	De Telegraaf	Wantrouwen na slachtersfusie ebt weg	July 10, 2006	**MAN_LT-SH_POS**
14	De Telegraaf	VGZ-topman bepleit opheffen van awbz	June 20, 2006	**MAN_ST-SH_NEG**
15	De Telegraaf	Oprichter chipfabrikant hekelt kritische belegger	May 19, 2006	**INV_LT-SH_POS**
16	De Telegraaf	Multinationals lieten 't lelijk afweten	April 15, 2006	**JOUR_ST-SH_POS**
17	De Telegraaf	Damrak straft Ahold af	March 30, 2006	**INV_ST-SH_POS**
18	De Telegraaf	VEB-topman slaat alarm over leegloop Damrak	March 28, 2006	**INV_LT-SH_POS**
19	De Telegraaf	Einde van woelige tijd bij busbedrijf	December 28, 2008	**MAN_ST-SH_POS, JOUR_ST-SH_NEG**
20	De Telegraaf	VEB vreest overtrokken reacties op kredietcrisis	November 21, 2008	**INV_ST-SH_NEG, INV_LT-ST_NEG**
21	De Telegraaf	Belegger Fortis krijgen steun van OM België	November 7, 2008	**INV_LT-SH_POS**
22	De Telegraaf	Rabo: Staatsbanken mogen geen marktaandeel winnen	October 7, 2008	**MAN_ST-SH_NEG**
23	De Telegraaf	Balanceren tussen loonkosten en mensen	August 30, 2008	**EMP_LT-SH_NEG**
24	De Telegraaf	Grote beleggers eisen koerswijziging Fortis	August 19, 2008	**INV_LT-SH_POS**
25	De Telegraaf	Amerikaanse brouwer heeft bier in genen	June 1, 2008	**NO DUTCH OPINION**

	Newspaper	Title	Date	Opinions
26	De Telegraaf	DSM verwacht recordjaar na prima kwartaalresultaat	April 30, 2008	**MAN_LT-SH_POS**
27	De Telegraaf	BP ziet hogere productie en winst in het verschiet	February 28, 2008	**MAN_LT-SH_POS**
28	De Telegraaf	Stadseditie Edition, S	January 9, 2008	**MAN_ST-SH_POS**
29	De Volkskrant	ASMI-plaag Mellon zelf doelwit van overname; Accent De belager belaagd	December 5, 2006	**JOUR_ST-SH_NEG, MAN_ST-SH_NEG**
30	De Volkskrant	Rol van prooi dreigt voor ABN Amro	September 15, 2006	**JOUR_ST-SH_POS, MAN_ST-SH_POS**
31	De Volkskrant	Stork nog niet verlost van kwelgeesten;	September 6, 2006	**INV_LT-SH_POS, MAN_ST-SH_NEG**
32	De Volkskrant	Het hoofdkantoor gaat er als eerste aan;	August 15, 2006	**INV_LT-SH_POS, INV_ST-SH_POS**
33	De Volkskrant	Als je haast hebt, moet je kleine stappen zetten';	July 8, 2006	**INV_ST-SH_POS, MAN_ST-SH_NEG**
34	De Volkskrant	Premiejagers richten vizier op amechtig Ahold;	June 13, 2006	**JOUR_ST-SH_NEG, MAN_LT-SH_POS, INV_ST-SH_POS**
35	De Volkskrant	Schuld is goed voor de discipline;	April 19, 2006	**INV_ST-SH_POS**
36	De Volkskrant	No title	April 5, 2006	**JOUR_LT-SH_POS**
37	De Volkskrant	Actieve aandeelhouders zijn zegen voor bedrijf;	March 28, 2006	**INV_LT-SH_POS, MSTR_ST-SH_NEG**
38	De Volkskrant	Week 7Eerst de handlangers, dan de echte barbaren	February 18, 2006	**MAN_ST-SH_NEG, INV_ST-SH_POS, JOUR_ST-SH_NEG**
39	De Volkskrant	Ik ben gelukkig geweest onuitstaanbaar	December 20, 2008	**MAN_LT-SH_POS, JOUR_ST-SH_NEG, INV_ST-SH_POS**
40	De Volkskrant	'Kredietcrisis is buitenkans voor Europa'	November 29, 2008	**POL_LT-ST_POS, POL_ST-SH_NEG**
41	De Volkskrant	Houd de toezichthouders in de gaten	November 7, 2008	**ACAD_ST-SH_NEG, POL_LT-ST_POS**
42	De Volkskrant	ING wordt 'linkser' met supercommissarissen	October 24, 2008	**POL_LT-ST_POS, MAN_LT-ST_POS, INV_LT-ST_NEG**
43	De Volkskrant	'Noodfonds heeft vooral symbolische waarde'	October 11, 2008	**MAN_ST-SH_POS**
44	De Volkskrant	VS verliezen hun rol als gidsland	September 27, 2008	**JOUR_ST-SH_NEG**
45	De Volkskrant	Yahoo sluit na weken gekibbel vrede met stokebrand Icahn	July 22, 2008	**MAN_ST-SH_NEG, INV_ST-SH_POS**
46	De Volkskrant	De superklasse die boven de naties zweeft	July 4, 2008	**ACAD_LT-ST_POS, POL_ST-SH_NEG**
47	De Volkskrant	Topman is een huilebalk	May 24, 2008	**INV_LT-SH_POS, JOUR_ST-SH_NEG**
48	De Volkskrant	RiskMetrics steun voor belagers van ASMI	May 8, 2008	**INV_LT-SH_POS**
49	Het Financieele Dagblad	DPA Flex	December 30, 2006	**INV_ST-SH_POS**
50	Het Financieele Dagblad	Waardecreatie	November 7, 2006	**JOUR_ST-SH_POS**

	Newspaper	Title	Date	Opinions
51	Het Financieele Dagblad	Tien tips voor overvallen bestuur	October 7,2006	**MAN_ST-SH_NEG, JOUR_ST-SH_NEG, INV_ST-SH_POS**
52	Het Financieele Dagblad	Corporate governance is nog niet in balans; Perverse effecten	August 16, 2006	**POL_LT-ST_POS, MAN_LT-SH_POS**
53	Het Financieele Dagblad	Océ omarmt assertieve aandeelhouder;	July 6, 2006	**MAN_ST-SH_POS**
54	Het Financieele Dagblad	Grenzen aan aandeelhoudersmacht	June 9, 2006	**MAN_LT-SH_POS, INV_ST-SH_POS, MAN_ST-SH_NEG, INV_LT-SH_POS, POL_ST-SH_NEG, MSTR_ST-SH_NEG**
55	Het Financieele Dagblad	Goudzoekers	May 9, 2006	**MAN_LT-SH_POS, INV_LT-SH_POS, INV_ST-SH_POS**
56	Het Financieele Dagblad	Fusiegolf goed voor aandeelhouders	April 5, 2006	**JOUR_ST-SH_POS**
57	Het Financieele Dagblad	Vrouwelijk talent is aandeelhouderswaarde	8 maart 2006	**MAN_LT-SH_POS**
58	Het Financieele Dagblad	Synergie bestaat niet	February 17, 2006	**MAN_ST-SH_NEG, INV_LT-SH_POS**
59	Het Financieele Dagblad	Loonhulp ASML	December 31, 2008	**MAN_ST-SH_POS**
60	Het Financieele Dagblad	Half zwanger	December 11, 2008	**JOUR_LT-SH_POS**
61	Het Financieele Dagblad	BHP Billiton blaast megafusie mijnbouw af vanwege kredietcrisis en slechte r	November 6, 2008	**MAN_LT-SH_POS**
62	Het Financieele Dagblad	Océ-aandeelhouders akkoord met omstreden beloningsbeleid	October 22, 2008	**INV_LT-SH_POS**
63	Het Financieele Dagblad	Innovatie is vooral cultuurkwestie	September 23, 2008	**POL_LT-SH_POS**
64	Het Financieele Dagblad	VEB versus Fortis	August 22, 2008	**INV_ST-SH_POS**
65	Het Financieele Dagblad	Mega-transactie private equity dreigt te stranden	June 20, 2008	**INV_LT-SH_POS**
66	Het Financieele Dagblad	Combineer kracht van twee ondernemingsmodellen	May 20, 2008	**ACAD_ST-SH_NEG, ACAD_LT-SH_POS, POL_ST-SH_NEG**
67	Het Financieele Dagblad	Ouderwets bankieren Klant heeft geen belang bij rendement	April 12, 2008	**MAN_ST-SH_NEG, MAN_LT-ST_POS**
68	Het Financieele Dagblad	Echt investeren in kennis	February 9, 2008	**MAN_ST-SH_NEG, MAN_LT-ST_POS**
69	Leeuwarder Courant	Marktwerking in zorg: luxe behandeling, hogere premie	December 4, 2006	**ACAD_ST-SH_NEG**
70	Leeuwarder Courant	Geduld investeerders met Ahold raakt op	August 15, 2006	**INV_ST-SH_POS**
71	Leeuwarder Courant	Bewaker van bedrijven	December 24, 2008	**INV_ST-SH_POS, ACAD_LT-SH_POS**
72	Leeuwarder Courant	NO ; edities, Onbekend is bij saneerder onbemind	September 18, 2008	**NO OPINION**
73	NRC Handelsblad	Uiterlijk houdbaar tot begin 2008; Lux	December 30, 2006	**MAN_ST-SH_POS, INV_ST-SH_POS**
74	NRC Handelsblad	Stork stuurt aan op nieuwe confrontatie;	November 15, 2006	**MAN_ST-SH_NEG, INV_ST-SH_POS**
75	NRC Handelsblad	FNV komt in actie tegen durfkapitaal; Niet 'stropen en slopen'	August 26, 2006	**LAB_ST-SH_NEG, INV_ST-SH_POS**

	Newspaper	Title	Date	Opinions
76	NRC Handelsblad	Beleggers eisen opsplitsing Ahold	August 14, 2006	**INV_ST-SH_POS**
77	NRC Handelsblad	Ik wil wel eens iets anders dan alleen aandeelhouderswaarde'	July 29, 2006	**MAN_ST-SH_NEG**
78	NRC Handelsblad	Een klassiek geval van vermogensgroei; lux	June 1, 2006	**JOUR_ST- SH_POS**
79	NRC Handelsblad	Warren Buffett geeft verkeerd signaal	April 7, 2006	**INV_ST-SH_NEG, JOUR_ST-SH_NEG**
80	NRC Handelsblad	1ste editieWoensdag Dag, Philips doet overname in Amerika;	March 8, 2006	**MAN_LT-SH_POS**
81	NRC Handelsblad	Minder winst voor Google dan verwacht	February 1, 2006	**JOUR_ST-SH_POS**
82	NRC Handelsblad	Schiphol komt van de regen in de drup';	June 17, 2006	**POL_LT-SH_POS**
83	NRC Handelsblad	Opties in aandelen schandalig';	December 17, 2008	**NO DUTCH OPINION**
84	NRC Handelsblad	Rijkman Groenink heeft niet als enige gefaald' '	November 11, 2008	**INV_ST-SH_POS, MAN_ST-SH_NEG**
85	NRC Handelsblad	Failliet ultra-kapitalisme móet gevolgen hebben in Nederland;	September 27, 2008	**POL_LT-ST_POS, JOUR_ST-SH_NEG**
86	NRC Handelsblad	Wouter is op Tara en niet op Tina; Lux	September 17, 2008	**JOUR_ST-SH_NEG, POL_LT-ST_POS**
87	NRC Handelsblad	Bij ons blijft microfoon open';	September 2, 2008	**INV_LT-SH_POS, JOUR_ST-SH_NEG**
88	NRC Handelsblad	De stelling van Hans Schenk	August 30, 2008	**JOUR_ST-SH_NEG, INV_ST-SH_POS, ACAD_ST-SH_NEG**
89	NRC Handelsblad	Case held van aandeelhouders AOL	August 15, 2008	**INV_ST-SH_POS**
90	NRC Handelsblad	Aandeelhouders Freddie Mac en Fannie Mae hebben het nakijken	August 11, 2008	**MAN_LT-SH_POS**
91	NRC Handelsblad	Iedereen heet professional maar bijna niemand is het	March 29, 2008	**JOUR_LT-ST_POS**
92	NRC Handelsblad	Yahoo noemt bod van Microsoft vijandig;	February 4, 2008	**INV_ST-SH_POS, MAN_LT-SH_POS**
93	Provinciale Zeeuwse Courant	LEZERSBRIEVEN	October 15, 2008	**MSTR_ST-SH_NEG**
94	Provinciale Zeeuwse Courant	Provincie blijft aandeelhouder van Delta	July 23, 2008	**MAN_LT-SH_POS, INV_LT-SH_POS**
95	Provinciale Zeeuwse Courant	Verkoop van Ahold in VS geeist	August 15, 2006	**INV_ST-SH_POS**
96	Provinciale Zeeuwse Courant	CSM houdt vast aan Purac	March 2, 2006	**INV_ST-SH_POS, MAN_LT-SH_POS**
97	Reformatorisch Dagblad	Durfkapitalisten azen op Ahold	August 14, 2006	**INV_ST-SH_POS**
98	Reformatorisch Dagblad	Alleen VNU-top spreekt van ,,aantrekkelijk bod”	April 19, 2006	**INV_ST-SH_POS, MAN_LT-SH_POS**
99	Reformatorisch Dagblad	Banken verkeren in morele crisis	October 23, 2008	**MAN_ST-SH_NEG, MAN_LT-ST_POS**
100	Reformatorisch Dagblad	VEB aanwezig op informatieavond Fortis	August 16, 2008	**INV_LT-SH_POS**