EDWARD J KIM

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EDUCATION

Temple University — August 2015 – August 2021
Fox School of Business
Ph.D. in Finance

Washington University in St. Louis — August 2010 – May 2012
Olin Business School
MBA in Finance

Cornell University — August 2004 – August 2008
B.S. in Biological and Environmental Engineering

EMPLOYMENT

Southern Methodist University
Cox School of Business
Visiting Assistant Professor of Finance — August 2021 – Present

RESEARCH INTERESTS

Empirical Corporate Finance – Corporate Governance, Executive Compensation, Board of Directors
Behavioral Corporate Finance

WORKING PAPERS

CEO Bargaining Power and Compensation

- Presented at Midwest Finance Association 2021 Annual Meeting (One of five papers selected for Doctoral Symposium)
- Accepted at Financial Management Association 2021 Annual Meeting
- Presented at 2020 Temple University Interdisciplinary Brown Bag Seminar

Religiosity and the Use of Performance-based Compensation

- Presented at 2018 Temple Young Scholars Interdisciplinary Forum (Received funding)
- Presented at 2017 Temple University Department Seminar

Insider Board Control and Shareholder Value

- Accepted at European Financial Management Association 2020 Annual Meeting (Canceled due to COVID)
- Presented at 2019 Temple University Interdisciplinary Brown Bag Seminar

WORK IN PROGRESS

CEO Gender and Forced Turnover Decisions (with Naveen Daniel and Lalitha Naveen)
Implications of Multiple Endogenous Variables (with Wei Gao, Yuanzhi Li, and Oleg Rytchkov)

TEACHING EXPERIENCE AND TRAINING

Instructor, Temple University

International Finance (FIN 3551) – *Teaching Evaluation (4.8/5.0)* — Summer I, 2019
International Finance (FIN 3551) – *Teaching Evaluation (4.9/5.0)* — Summer I, 2018

Financial Management (FIN 3101) – *Teaching Evaluation (4.2/5.0)* — Spring, 2021
Financial Management (FIN 3101) – *Teaching Evaluation (4.6/5.0)* — Fall, 2020

Intermediate Corporate Finance (FIN 3504) - *Teaching Evaluation (TBD/5.0)* — Summer II, 2021

Teaching Assistant, Temple University

Investing for the Future (FIN 0822/0922) — 2015, 2016
Financial Markets and Institutions (FIN 5114) — 2017, 2018
Fixed Income Modeling and Analysis (FIN 3508) — Spring, 2019
Seminar in Corporate Finance (FIN 4596) — Fall, 2017; Summer I, 2020

Financial Management (FIN 3101) — Spring, 2020
Security Analysis and Portfolio Management (FIN 3507) — Spring, 2020

Training

Fox 2017 PhD Summer Teaching Academy, Temple University
Fox Online Teaching Certificate

INDUSTRY EXPERIENCE

WILSHIRE BANK Los Angeles, California — August 2014 – April 2015
Loan Assistant – West Loan Center

HYUNDAI HEAVY INDUSTRIES Seoul, Korea — September 2012 – April 2014
Business Analyst – Financial Planning Department, Corporate Planning Office

NARA BANK Los Angeles, California — June 2009 – April 2010
Loan Officer Trainee – Corporate Banking Center

PROFESSIONAL SKILLS

- Languages: Fluent in English and Korean (Nationality: United States).
- Computer Skills: SAS, Stata, Latex, and MS Office
- Databases: Compustat, CRSP, Execucomp, BoardEX, Thomson Reuters Institutional Holdings, I/B/E/S, RiskMetrics, FactSet

REFERENCES

Lalitha Naveen (Chair)
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Yuanzhi (Lily) Li
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Fox School of Business, Temple University
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ABSTRACTS OF WORKING PAPERS

CEO Bargaining Power and Compensation

Contracting theories predict that CEO power plays an essential role in the pay-setting process. I provide causal empirical evidence of how changes in the bargaining power of CEOs affect the level of CEO compensation. Using the staggered adoption of the Inevitable Disclosure Doctrine (IDD) by US state courts as an exogenous shock to CEOs' bargaining power, I find that the recognition of the IDD results in significantly lower levels of CEO compensation. The effect is present only in subsamples of firms whose CEOs experience a substantial decline in their bargaining power. These results support that bargaining power is the channel through which the IDD recognition decreases CEO compensation. Economic impact of the IDD is also substantial in the subsamples, ranging from 16.4% to 20.5% decline in total compensation. Examination of the structure of compensation reveals that changes in the bargaining power of CEOs reduce total current compensation and option awards. The recognition of the IDD also increases performance-turnover sensitivity and shareholder wealth.

Religiosity and the Use of Performance-based Compensation

Recent studies document the effect of corporate culture on corporate behavior. This study examines how a firm's religious culture affects the structure of CEO compensation. Using county-level religiosity as a proxy for a firm's culture, I find that firms in highly religious counties use about 12.4% less performance-based compensation in their CEO compensation packages. I consider two characteristics of religious cultures that are likely to have implications on executive compensation: extrinsic motivation and locus of control. To determine which characteristic is driving the results, I examine how turnover decisions differ depending on religious culture of firms. If locus of control – the extent to which human effort can affect future outcomes – is driving the main result, less turnover-performance sensitivity is expected in highly religious firms. The results show that turnover-performance sensitivity does not vary according to county-level religiosity, suggesting that locus of control is not the driver behind the main result. These findings indicate that firms with highly religious cultures use less performance-based compensation because religious cultures' work ethic is less financially motivated.

Insider Board Control and Shareholder Value

The agency literature posits that insider-dominated boards are likely to face severe agency problems. However, some theories on board control argue that insider-dominated boards are sometimes optimal for shareholders. I evaluate the theories using SOX-related board reforms in the early 2000s that presented an exogenous change in board control. Specifically, I analyze the heterogenous treatment effects based on firm characteristics that theoretically favor insider-dominated boards – firm size, proprietary knowledge, and information transparency. Preliminary results suggest that firms with theoretically optimal insider-dominated boards experienced a net increase in shareholder value when boards became independent. These results indicate that benefits of enhanced monitoring by independent boards outweighed any loss in value associated with insider control of the board.