



# HARVARD | BUSINESS | SCHOOL

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## BRIAN J. HALL

Harvard Business School  
Mellon Hall A4-1  
Boston MA 02163  
Phone (617) 495-5062  
bhall@hbs.edu

16 Coolidge Road  
Belmont, MA 02478  
(617) 484-1617

### PROFESSIONAL

Associate Professor of Business Administration, Harvard Business School, 1997 - present

Fields: Executive compensation and incentives, organizational economics, corporate governance, corporate finance, equity-pay design, incentive strategy.

- Tenured and promoted to Full Professor in the fall of 2002, effective July 2003.

Assistant Professor of Economics, Harvard Economics Department, 1993 - 1997

Promoted by Harvard economics department to Associate Professor in 1997

Faculty Research Fellow, National Bureau of Economic Research, 1997- present

Visiting Scholar, Federal Reserve Bank of Boston, 1992 - 1995

Council of Economic Advisers, Executive Office of the President, Junior Staff Economist, 1990-1991

### EDUCATION

Ph.D. in Economics, Harvard University, 1993

MA. in Economics, Harvard University, 1991

Master's of Philosophy in Economics, Trinity College, University of Cambridge, England, 1988

Kennedy School of Government, Harvard University, completed one year in Masters of Public Policy Program, 1986-1987

B. Hall

A.B. Magna Cum Laude, Harvard University, 1986.

## TEACHING

*Coordination, Control and the Management of Organizations: Incentives (CCMO: Incentives)*: Second-year MBA elective course on incentive strategy. Covers the design and implementation of compensation/reward systems and ownership/governance structures. 2000 - present.

*Compensation Committees: Preparing for the Challenges Ahead*, Executive Education, Spring 2003.

*Shareholder Value and the Stock Option Explosion*: Executive education (PMD and AMP programs) 1999, 2000 and 2001.

*Strategic Human Resource Management*, Executive Education, 2001.

*Coordination, Control and the Management of Organizations (CCMO)*: Second-year MBA course on organization theory and the design and implementation of organizational systems including the allocation of decision rights, performance measurement, compensation systems and governance, 1999.

*Economics of Markets*: First-year required MBA course on the foundations of economic analysis, market performance, and the effects of market forces on firms and individuals, 1997- 1999.

*Financial Institutions and Markets*: Harvard College finance course (Economics Department elective) on corporate finance, financial markets and financial intermediation, 1995-1997.

*American Economic Policy*: Harvard College course (Economics Department elective) on economic policies including tax policy, monetary policy, fiscal policy, financial regulation policy, exchange rate policy and international trade policy, 1994-1997 (co-taught with Martin Feldstein).

*Principles of Economics*: Harvard College introductory course on micro- and macroeconomics, 1993 to 1995.



## **HONORS**

Berol Faculty Fellow, named by the Directors of Research, Harvard Business School, 1999-2000.

Phi Beta Kappa Teaching Prize, college-wide award for excellence in teaching, Harvard University, 1997.

Allyn Young Teaching Award for outstanding teaching in Principles of Economics, Harvard University, 1987 and 1990.

Certificate of Distinction in Teaching, awarded by Harvard's Bok Center (1986, 1987, 1989, 1990).

Kennedy Fellow for outstanding scholarship, Kennedy School of Government, 1986-1987.

Summa Cum Laude for undergraduate honors thesis, 1986.

Public Policy Research Award, Kennedy School of Government, 1985.

## **OTHER PROFESSIONAL**

Faculty Research Fellow, National Bureau of Economic Research, 1996-present.

Editor, Negotiation, Organizations and Markets (NOM) series in the Social Science Research Network's (SSRN) electronic journal, 2000-present.

Board of Advisors, MyStockoptions.com, 2002.

Member of World Equity Council, Consortium of academics, practitioners and consultants whose mission is to guide and influence tax, legal and accounting policy affecting global equity programs, 2002.

Consultant or advisor, mostly in the area of corporate governance, organizational strategy, equity-pay design and executive compensation.

Part of the Global Corporate Governance Initiative and the Human Resource Initiative at

the Harvard Business School, 1998-present.

Testified before the Senate on the issue of Executive Compensation and Corporate Governance, May 2003.

Appeared on CNBC, on the topic of executive compensation, 2003.

Appeared on the News Hour with Jim Lehrer, discussion related to stock options, 2000.

Appeared on PBS syndicated show, *DebatesDebates*, topic related to stock options, 2002.

Appeared on CNBC on topic of executive compensation, 2003.

Featured guest speaker at Bank of Japan, Harvard-Princeton-Yale Club, Stern Stewart's EVA Institute, iQuantic's conference on Stock Options, J. Robert Scott meeting on stock options.

Traveled to Hanoi, Vietnam to advise National Assembly on economics and financial systems, 1996.

Refereed academic articles for: *American Economic Review*, *Quarterly Journal of Economics*, *Journal of Political Economy*, *Journal of Labor Economics*, *Journal of Accounting and Economics*, *Journal of Finance*, *Journal of Financial Economics*, *Rand Journal of Economics*, *Journal of Risk and Insurance*, *Review of Economics and Statistics*, *Economic Letters*, *Journal of Economic Behavior and Organizations*, *Harvard Business School Press*.

Member of the Board of Directors, International Justice Mission (1995-1999) and InterVarsity Christian Fellowship (1998-present).

## **INVITED ACADEMIC TALKS AND PRESENTATIONS (NON-HARVARD) SINCE 1997**

University of Illinois (2002)

American Economic Association (AEA) Meetings (2002, 2001, 1998)

National Bureau of Economics (NBER) Conferences/Seminars (2001, 2000 twice, 1999)

twice, 1998, 1997 twice)

National Forum for Corporate Finance (2003)

University of Delaware (2003, 2002, 2001)

Yale University (2002, 2001)

American Compensation Association (2000, 1998)

Dartmouth/Tuck (2002, 2000)

Stanford Business School (2000, 1998)

University of Pennsylvania /Wharton (2000, 1997)

Society of Labor Economists (1999)

MIT/Sloan (1999)

Brown University (1999)

World Bank (1998)

Federal Reserve Board (1998)

New York University/Stern (1998)

University of Chicago (1998, 2003)

Northwestern/Kellogg (1998)

University of Chicago Business School (1998)

University of Michigan Business School (1997)

U.C. Berkeley/Haas (1997)

Washington University/Olin (1997)

Rutgers University (1997)

### **OTHER UNIVERSITY ACTIVITIES**

Senior Common Room Fellow, Dunster House, Harvard University, 1994-present.

Faculty Advisor to Harvard undergraduate group, Harvard-Radcliffe Christian Fellowship, 1994-present.

Freshman Proctor and member of Board of Freshman Advisors, Harvard University, 1988-1989.

Non-resident Tutor in Economics, Eliot House, Harvard University, 1986-87.

## PAPERS

- Knox, Thomas A., "Underwater Options and the Dynamics of Executive Pay-to-Performance Sensitivities," *Journal of Accounting Research*, forthcoming.
- "The Six Challenges of Equity-Based Pay Design," *Journal of Applied Corporate Finance*, forthcoming, 2003.
- Murphy, Kevin J. "The Trouble with Executive Stock Options," forthcoming in the *Journal of Economic Perspectives*, 2003.
- Knox, Thomas A., "Managing Option Fragility," NBER Working Paper 9059, 2002.
- Murphy, Kevin J., "Stock Options for Undiversified Executives," Lead article in the *Journal of Accounting & Economics*, Vol. 33, Issue 2, April 2002.
- Baker, George P., "CEO Incentives and Firm Size," forthcoming, *Journal of Labor Economics*, 2002.
- Murphy, Kevin J., "Optimal Exercise Prices for Executive Stock Options," *American Economic Review*, May 2000.
- Liebman, Jeffrey B., "The Taxation of Executive Compensation," *Tax Policy and the Economy*, edited by James Poterba, MIT Press, 2000.
- Liebman, Jeffrey B., "Are CEOs Really Paid Like Bureaucrats?" Lead article in the *Quarterly Journal of Economics*, August 1998, pp. 653-691.
- "What You Need to Know About Stock Options," *Harvard Business Review*, March-April, 2000.
- Murphy, Kevin J., "Option Value Does Not Equal Option Cost," *WorldAtWork Journal*, Vol. 10, No. 2, 2001.
- "What You Need to Know About Stock Options: A Reply to Comments," *Harvard Business Review*, July-August, 2000.
- "The Design of Multi-Year Stock Option Plans," *The Journal of Applied Corporate Finance*, pp. 97-106, Summer 1999.

- “A Better Way to Pay CEOs?” in *Executive Compensation and Shareholder Value*, Kluwer Academic Publishers, edited by D. Yermack and J. Carpenter, 1998, pp. 33-44.
- “Regulatory Free Cash Flow and the High Cost of Insurance Company Failures,” *The Journal of Risk and Insurance*, 2000, Vol. 67, No. 3, 415-438.
- Weinstein, David E., “Main Banks, Creditor Concentration, and the Resolution of Financial Distress in Japan,” *Finance, Development and Competition in Japan*, Oxford University Press, edited by Aoki, Masahiko and Gary Saxe-house, 2000.
- Bohn, James G., “The Moral Hazard of Insuring the Insurers,” *The Financing of Catastrophe Risk*, University of Chicago Press, edited by Kenneth A. Froot, 1999.
- “Risk-Taking Incentives and the Cost of Insurance Company Failures,” *Alternative Approaches to Insurance Regulation*, edited by Robert W. Klein, Kansas City, MO, National Association of Insurance Commissioners (NAIC), 1999.
- Bohn, James G., “The Cost of P&C Insurance Company Failures,” *The Economics of Property-Casualty Insurance*, University of Chicago Press, edited by David Bradford, 1998.
- Weinstein, David E., “Bank-Based versus Market-Based Financial Systems,” *Bank Structure and Competition*, Federal Reserve Bank of Chicago, 1997.
- Grenadier, Steven R., “Risk-Based Capital Requirements and the Riskiness of Bank Portfolios,” *Regional Science and Urban Economics*, Vol. 26, 1996.
- “How has the Basle Accord Affected Bank Portfolios?” *The Journal of Japanese and International Economies*, December, 1993.
- Freeman, Richard B., “Permanent Homelessness in America?” *Population Research and Policy Review*, Volume 6, 1987.

**Course Notes, Cases and Teaching Notes:**

Course Note, CCMO: Incentives: *Incentive Strategy Within Organizations*, HBS Case 902-131.

Course Note, CCMO: Incentives: *Incentive Strategy: Executive Compensation and Ownership Structure*, HBS Case 902-134.

Course Syllabus, *CCMO: Incentives*, 2002.

*Al Dunlap at Sunbeam*, HBS Case 899-218 (with Professor Rakesh Khurana).

*Al Dunlap at Sunbeam*, Teaching Note 902-135 (with Professor Rakesh Khurana).

*Al Dunlap at Sunbeam*, Video.

*Gerald Weiss*, HBS Case 899-258.

*Gerald Weiss*, Teaching Note 801-190.

*Performance Pay at Safelite Auto Glass (A)*, HBS Case 800-291 (with Professor Edward Lazear (Stanford)).

*Performance Pay at Safelite Auto Glass (B)*, HBS Case 800-292 (with Professor Edward Lazear (Stanford)).

*Performance Pay at Safelite Auto Glass* Teaching Note 902-212.

*Sara's Options*, HBS Case 201-005 (with Professor Peter Tufano).

*Sara's Options*, Teaching Note 902-194.

*Circon (A)*, HBS Case 801-403 (with Professor Guhan Subramanian).

*Circon (B)*, HBS Case 801-404 (with Professor Guhan Subramanian).

*Circon (C)*, HBS Case 801-405 (with Professor Guhan Subramanian).

*Circon*, HBS Video 902-806

*Circon* Teaching Note 902-220

*Massachusetts Financial Services*, HBS Case 902-132.

*Massachusetts Financial Services*, Teaching Note 902-196.

*Incentive Pay for Portfolio Managers at Harvard Management Company*, HBS Case 902-130.

*Incentive Pay for Portfolio Managers at Harvard Management Company*, Teaching Note 902-202

*Akamai's Underwater Options (A)* HBS Case 902-069

*Akamai's Underwater Options (B)* HBS Case 902-195.  
*Akamai's Underwater Options* Teaching Note 902-200

*Compensation and Performance Evaluation at Arrow Electronics*, HBS Case 800-290.

*A Note on Incentives in the NFL*, HBS Case 902-129.

*The CCMO: Incentives Game*, HBS Case 902-160 (with Professor Jason Barro).

*Exercise on Employee Stock Option Dilution*. HBS Case 902-162.

*Incentives and Controllability: A Note and Exercise*, HBS Case 801-334.

*Stock Options at Virtua.Net*, HBS Case 801-324.

*AirTex Aviation*, HBS Case 800-269, (slightly updated version of *Assuming Control at Altex Aviation*, HBS Case 183-058, by Professors Neil C. Churchill (SMU), Edmund M. Goodhue (MIT) and Kenneth A. Merchant).