Dubious Corporate Practices Get a Rubber Stamp From Big Investors

Institutional asset managers carry enormous clout across corporate America. So it's unfortunate that so many of these managers choose to support the status quo for boards, even when investors are ill served, points out ***The New York Times***.

As an example, writer **Gretchen Morgenson**, discusses the case of Arconic, the industrial metals company that spun off Alcoa in November. Some of its directors are facing a proxy challenge to be decided at the company's next annual meeting.

Giant hedge fund Elliott Management is behind the challenge, following years of declining sales, rising losses and a subpar stock performance at Alcoa.

As Morgenson explains, "The structure of Arconic's board – and Alcoa's before it – is investor-unfriendly. It is what's known as a classified board, in which directors' terms are staggered, protecting them from being voted out en masse."

Read the *NYT* article.