



SCHOOL OF BUSINESS

ACCOUNTING SEMINAR

Managers' Propensity to Acquire and Use Employee-Type Information in Their Decision to Tailor Controls

Speaker:

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Content:

Prior research suggests that tailoring controls to employee type can improve the efficacy of managerial controls. This study examines two factors that influence managers' propensity to acquire costly employee-type information that facilitates their decision to tailor controls: managers' emotional understanding ability and tournament incentives. We find that managers with a high emotional-understanding ability are dispositioned to appreciate the usefulness of employee-type information. As a result, they are more willing than managers with low emotional-understanding ability to acquire and use this information in their control decisions. We further find that tournament relative to piece-rate incentives increase the perceived usefulness of employee-type information for managers with a low emotional-understanding ability, and therefore, increase their propensity to acquire and use this information in their control decisions. Our results suggest that both manager selection and compensation influence managers' acquisition and use of employee-type information, which in turn affect the implementation of managerial controls at lower levels of the organization.

Date:	May 24, 2017 (Wednesday)
Time:	11:00 a.m. — 12:30 p.m.
Language:	English
Venue:	KK1303, 13/F., K.K. Leung Building, The University of Hong Kong

All Interested are Welcome