The Division of Economics and the Economic Growth Centre cordially invite you to a seminar by Dr Dr Yin Huaxiang

**Speaker:** Dr Yin Huaxiang  
Assistant Professor  
Department of Accountancy  
Nanyang Business School  
Nanyang Technological University

**Topic:** "Information Policies, Manager Discretion, and Managerial Opportunism"

**Chairperson:** Assistant Professor Hong Fuhai  
Division of Economics  
School of Humanities & Social Sciences  
Nanyang Technological University

**Date:** Wednesday, 5 November 2014

**Time:** 2:30 pm – 4:00 pm

**Venue:** HSS Meeting Room 5 (HSS 04-89)  
Nanyang Technological University  
School of Humanities and Social Sciences  
14, Nanyang Drive  
Singapore 637332

**About the Speaker:**
Huaxiang holds a BA (Accounting), a MA (Econometrics), and a PhD (Accounting) from Yangzhou University, Fudan University, and Tilburg University, respectively. His work mainly focuses on experimental research in management accounting. He studies how formal mechanisms (e.g. control systems, incentive contracts) interact with informal mechanisms (e.g. social norms, trust) in the context of managerial decision making. He has taught Introductory Financial Accounting, Intermediate Management Accounting, and Management Control Systems.

**Abstract:**
Employees often have a subtle impact on the manager's welfare, as they have some discretion over hours they would like to spend on the job, or have access to valuable resources that are beneficial to the manager. This study experimentally investigates whether or not organizations can make beneficial use of this power of the employee to control dysfunctional behavior of managers in firms. More specifically, results show that managers are less likely to engage in rent extraction under an open information policy, in which employees can observe manager behavior, than under a closed information policy, in which employees cannot observe manager behavior. The effect of the information policy on reducing rent extraction is larger when managers have discretion over rewarding their employees than when managers do not have discretion. The results have important practical implications. Organization can mitigate dysfunctional behavior of (even the more selfish) managers in their firms, if they redesign their information and reward policies such that managers are stimulated to carefully think about how employees would react to their behavior.

**Reservation:**
Admission is free. Please reply to Director-EGC, e-mail:d-egc@ntu.edu.sg to confirm your attendance.