

Accounting Research Workshop (ARW) – summer 2023

Speaker: Dr Chung-Yu Hung

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Topic: *“Do managers' career preferences influence their attention to corporate culture?”*

Dr Chung-Yu Hung's talk gives an overview of her own previous work on managers' preferences and the link to corporate culture. After reviewing the broader literature regarding job-hopping and signalling of leadership quality in the labour market her paper contributes to the question of whether managers' preferences influence their attention, namely the amount and allocation of attention, to corporate culture.

Building on the theoretical framework that “culture building is a much sought-after quality in corporate leaders” and that each manager plans his career differently they state that “some are prone to changing jobs, whereas others prefer to advance within the firm.” Therefore the research idea is to say that “job-hopping preferences provide incentives to managers to signal their leadership quality in the labour market”.

Using a measure developed by Li, Mai, Shen and Yan (2021b) to capture managerial attention to corporate culture, they predict and find “that job-hopping managers pay more attention to corporate culture, but direct their attention to cultural values (e.g., innovation) that can easily be recognized by the labour market.”

Hence, they conclude that less “attention is devoted to the ‘softer’ cultural values which are important to embed the code of conduct within firms”. Overall the study provides interesting findings on the relationship of both the incentive and distortion effects of career preferences on corporate culture engagement.