

ORGANIZATION & MANAGEMENT COLLOQUIUM

Host: Patrick Bergemann, Assistant Professor

**Speaker: Elaine Wong, Associate Professor of Management, UCR School of Business,
University of California, Riverside**

Date & Time: Friday, March 17, 2023 at 10:30 AM - 12:00 PM PDT

Where: SB1 5100 (Corporate Partners Executive Boardroom); Zoom link available on request

Title: “Preventing positive returns? How investors respond to executives’
regulatory-focus-related communication”

Talk Abstract: Recent research has demonstrated that executives’ motivational orientations, as reflected in organizational communication (e.g., letters to shareholders), are strong predictors of important firm outcomes. Specifically, firms whose executives communicate a focus on growth and achievement (a promotion focus) pursue distinctly different strategies compared to firms whose executives communicate a focus on security and the avoidance of failure (a prevention focus). In this paper, we explore whether external stakeholders are sensitive to executives’ promotion focus and prevention focus communication and the degree to which these foci match the situation by examining investors’ reactions to communication during quarterly earnings calls. We find that external stakeholders appear responsive to executive communication such that stock market returns are higher when executives communicate a promotion focus. This relationship is stronger when past performance is positive. Additionally, we find evidence that prevention focus communication can ameliorate negative investor reactions following poor past financial performance. Our study has several theoretical implications for the study of regulatory focus and executive communication.

Speaker’s Bio: Professor Elaine Wong’s research interests are in the area of organizational behavior, specifically leadership and groups and teams. The central theme of her research is the examination of how leaders motivate and encourage others to achieve superior performance. Professor Wong’s current research projects focus on the relationships among leaders’ observable and demographic characteristics (e.g., physical features, educational background), leadership team decision making dynamics (e.g., decentralized versus centralized decision making structures) and firm outcomes including firm financial performance and corporate social performance. Her research has been published in numerous journals,

including *Academy of Management Journal*, *Personnel Psychology*, *Psychological Science*, *Journal of Experimental Social Psychology*, and *Proceedings of the Royal Society B: Biological Sciences*. Professor Wong received her Ph.D. in business administration from the University of California at Berkeley and she was a faculty member at Northwestern University and the University of Wisconsin-Milwaukee before joining UCR School of Business.

Speaker's Website: <https://profiles.ucr.edu/app/home/profile/ewong>