Scholars from different fields address the question of how supervisory authorities should supervise firms. The prominent view on this topic comes from the theory of responsive regulation, which suggests that supervision is more effective when it responds to the specific motivations of supervised firms. A key requirement for responsive regulation is, therefore, to identify the types of firms or individuals that respond better to each type of supervision. With this motivation, I conduct three studies using unique datasets provided by the Dutch supervisory authority for the financial markets. I examine whether firms are more compliant and responsive to regulatory supervision when they have economic motivations to do so. I focus on firms’ time horizon, and use of incentive compensation as these firm characteristics are associated with economic motivations. The key implication of the results is that authorities can classify firms based on their economic motivations, form ex-ante expectations about their levels of compliance and responsiveness, and adjust supervision and communication strategies accordingly.

Biography
Sanne van Duin (1992) obtained her bachelor degree in Economics and Business Economics (cum laude), and master degree in Accounting and Control (cum laude) at the Vrije Universiteit Amsterdam. In 2014, she joined the PhD program of the School of Business and Economics. In collaboration with different regulatory authorities, she studies firm compliance and responsiveness to regulatory supervision. She has published in the Journal of Accounting Research.