

PhD Seminar
Management Control and Risk Management
ADMI 860/4 B
Winter 2019
John Molson School of Business - Concordia University

Michel Magnan
FRSC, Ph.D., FCPA, FCA, ASC, C.Dir.
Professor / S.A. Jarislowsky Chair
MB 15.301 / 848-2424 ext 4145
Michel.Magnan@Concordia.ca

Emilio Boulianne
Ph.D., FCPA, FCGA, CITP
Professor / Manulife Professorship
MB 15.313 / 848-2424 ext 2754
Emilio.Boulianne@Concordia.ca

Time and Room: Wednesdays, 9H00-12H00, Room MB 3.255

Purpose of the Seminar

The performance of an organization, irrespective of its nature, context or status, ultimately rests on the effectiveness of its management control systems. In that context, the purpose of this seminar is threefold. First, it aims to provide a comprehensive review of current research in management control, encompassing costing systems, control mechanisms, incentives, performance measurement, governance and risk management. Second, it offers an overview of the various theories used to investigate management controls' research questions. Third, it presents and discusses the key methodologies adopted by researchers in the area. By the end of the seminar, participants should have a comprehensive understanding of the multi-dimensional nature of management control's research.

Pedagogical Approach

1) Class participation (25%)

As a research seminar, active involvement by all students is essential. The class participation grade will be based on the professor's assessment of the relative contribution of each student.

Discussion leader: Each student will **prepare a presentation and lead the discussion** for assigned articles/paper(s). The student will prepare a handout, with copies for all students and professor. Discussion leader will provide an analysis covering a) usefulness of results (0,5 page), b) what YOU have learned from the paper (0.5 page) and c), what should be done to improve the paper (1.0 page); so total 2 pages. Each week, a letter *grade* will be given by the professor reflecting the evaluation of the overall quality of the analysis provided.

Article analysis: Student will analyse all papers covering the format above, from a) to c). Articles' analyses are in addition to the analysis prepared as a discussion leader. Students will

participate by asking insightful questions. The purpose of this part of the seminar is to provide students with an opportunity to learn and evaluate the quality of research.

Weekly presentations as *discussion leader* and *class participant* will accumulate up to **25% of the Final Grade.**

2) Research paper (65%)

Each student will prepare a research paper dealing with a topic relevant to management control research and suitable for submission to an academic conference. A **draft** of your research proposal including a summary of the topic, motivations, research question(s) and theory (max. 3 pages) **is due on March 11, 2019**, and the **Final version** of the research paper **is due on April 22, 2019**. Failure to submit the research paper on time will result in an incomplete grade. The final paper has to identify a problem relevant to management accounting/control research, and describe how the problem will be addressed. The paper's structure has to follow the typical outline: I. Introduction and motivation (research question (s) and what will be done about it), II. Literature review (to support your position, relevant research frameworks/theories, hypotheses, research model), III. Method (to carry out your research, sample, variables to be measure and test, data sources, statistics), and IV. Usefulness of results. For instance, the research paper can take the form of a proposed empirical study or a conceptual paper. The paper should not exceed 20 pages in length, including references, tables, and figures.

Research paper presentations: Presentations of research papers are scheduled for **April 10, 2019**. Each student will prepare a PowerPoint presentation of around 20 minutes. The grade for the presentation will be included as part of the grade for the paper itself.

The research paper and its presentation will accumulate up to **65% of the Final grade.**

3) Involvement in Research Workshops and Presentations (10%)

Students have to attend the research workshops and seminars in the Joint Program, presentations of candidates at the department, and other forums considered pertinent by the professors. A critic (one page) of papers/materials presented has to be submitted two days after the event. We encourage students to ask a prepared question during presentations. These participation activities will accumulate up to **10% of the Final grade.**

1. MCS Research: State of the Art and Current Trends (January 09)	Michel Magnan
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Hiebl, M. R. 2018. Management accounting as a political resource for enabling embedded agency. *Management Accounting Research*, 38, 22-38.

Hopper, T. and Bui, B., 2016. Has management accounting research been critical? *Management Accounting Research*, 31, pp.10-30.

Lachmann, M., Trapp, I., & Trapp, R. 2017. Diversity and validity in positivist management accounting research—A longitudinal perspective over four decades. *Management Accounting Research*, 34, 42-58.

Luft, J., 2016. Cooperation and competition among employees: Experimental evidence on the role of management control systems. *Management Accounting Research*, 31, pp.75-85.

Malmi, T., 2016. Managerialist studies in management accounting: 1990–2014. *Management Accounting Research*, 31, pp.31-44.

2. MCS Frameworks (January 16)	Emilio Boulianne
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Bromwich, M., Scapens, R.W., 2016. Management Accounting Research: 25 years on, *Management Accounting Research* 31, p. 1–9.

Otley, D., 2016. The Contingency Theory of Management Accounting and Control: 1980-2014, *Management Accounting Research*, 31, p. 45-62.

Malmi, T., and Brown, D.A. 2008. Management control systems as a package; Opportunities, challenges and research directions, *Management Accounting Research*, Vol. 19 No. 4, pp. 287-300.

Simons, R. 2008. *Control in an Age of Empowerment*, Boston, MA: Harvard Business School Press.

Martyn, P., Sweeney, B., Curtis, E., 2016. Strategy and Control: 25 Years of Empirical Use of Simons' Levers of Control Framework, *Journal of Accounting and Organizational Change*, 12, 3. P. 281-324.

COSO, 2017. Committee of Sponsoring Organizations of the Treadway Commission, Enterprise Risk Management - Integrating with Strategy and Performance, Executive Summary, June.

3. Control and Budgeting (January 23)	Emilio Boulianne
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Spekle, R., van Elten, H.J., Widener, S.K., 2015. Creativity and Control: A Paradox. Evidence from the Levers of Control Framework, *Working Paper*.

Hayne, C., & Free, C. 2014. Hybridized professional groups and institutional work: COSO and the rise of enterprise risk management. *Accounting, Organizations and Society*, 39(5), 309-330.

O'Grady, W., Akroyd, C. 2016. The MCS package in a non-budgeting organisation: a case study of Mainfreight, *Qualitative Research in Accounting & Management*, 13, 1, p. 2-30.

Becker, S.D., 2014. When Organisations Deinstitutionalise Control Practices: A Multiple-Case Study of Budget Abandonment, *European Accounting Review*, 23, 4, p. 593-623.

Beyond Budgeting Institute, 2015. The Case for Moving Beyond Traditional Budgeting, White paper, 11 pages.

4. Strategic Performance Management Systems (January 30)	Emilio Boulianne
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Sundin, H., Granlund, M., Brown, D.A. 2010. Balancing Multiple Competing Objectives with a Balanced Scorecard, *European Accounting Review*, 19, 2, p. 203–246.

Stout, L., 2012. *The Shareholder Value Myth: How Putting Shareholders First Harms Investors, Corporations, and the Public*, BK publisher, 134 pages.

Rodrigue, Magnan, Boulianne, 2013. Stakeholders' Influence on Environmental Strategy and Performance Indicators: A Managerial Perspective, *Management Accounting Research*, 24, p. 301-316.

Renaud, A., 2014. The Controller's Role in Environmental Management Control, *Comptabilité, Contrôle, Audit*, 20, 2, p. 67-94.

El Masri, T., Tekathen, M., Magnan, M., Boulianne, E., 2017. Calibrating Management Control Technologies and the Dual Identity of Family Firms, *Qualitative Research in Accounting and Management*, vol. 14, no. 2, p. 157-188.

Hoque, Z. 2014. 20 Years of Studies on the Balanced Scorecard: Trends, Accomplishments, Gaps and Opportunities for Future Research, *British Accounting Review*, 46, p. 33–59.

5. Management Control in Network Settings (Feb 06)	Matthaeus Tekathen
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Agenda:

1. Introduction to Methodology of Qualitative Management Control Research
2. Discussion of Tekathen & Dechow, Performance Risk Management, Working Paper
3. Discussion of Management Control in Network Settings

Discussed Papers:

Dekker, H. C. (2016). On the boundaries between intrafirm and interfirm management accounting research. *Management Accounting Research*, 31, 86-99.

Jack, L., Florez-Lopez, R., & Ramon-Jeronimo, J. M. (2018). Accounting, performance measurement and fairness in UK fresh produce supply networks. *Accounting, Organizations and Society*.

Kornberger, M., Pflueger, D., & Mouritsen, J. (2017). Evaluative infrastructures: Accounting for platform organization. *Accounting, Organizations and Society*, 60, 79-95.

Reusen, E., & Stouthuysen, K. (2017). Misaligned control: The role of management control system imitation in supply chains. *Accounting, Organizations and Society*, 61, 22-35.

Stouthuysen, K., Slabbinck, H., & Roodhooft, F. (2017). Formal controls and alliance performance: The effects of alliance motivation and informal controls. *Management Accounting Research*, 49-63.

Tekathen & Dechow, Performance Risk Management, Working Paper (Paper will be provided two weeks before the class)

Reading supplements: Methodological Papers for Interpretive Accounting Research:

Ahrens, T., & Chapman, C. S. (2006). Doing qualitative field research in management accounting: Positioning data to contribute to theory. *Accounting, Organizations and Society*, 31(8), 819-841.

Lukka, K., & Modell, S. (2010). Validation in interpretive management accounting research. *Accounting, Organizations and Society*, 35(4), 462-477.

Lukka, K., & Vinnari, E. (2014). Domain theory and method theory in management accounting research. *Accounting, Auditing & Accountability Journal*, 27(8), 1308-1338.

6. MCS and the Accounting Profession (February 13)	Emilio Boulianne
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Carter, C. Spence, 2014. Being a Successful Professional: An Exploration of Who Makes Partner in the Big 4, *Contemporary Accounting Research*, 31, 4, p. 949–981.

Picard, C., 2016. The Marketization of Accountancy, *Critical Perspective on Accounting*, 34, p. 79-97.

Radcliffe, V.S., Spence, C., Steina, M., Wilkinson, 2018. Professional Repositioning During Times of Institutional Change: The Case of Tax Practitioners and Changing Moral Boundarie, *Accounting, Organizations and Society*, 39, 5, p. 309-330.

Picard, C., Durocher, S., Gendron, Y., 2018. The Colonization of Public Accounting Firms by Marketing Expertise: Processes and Consequences, *Auditing: A Journal of Practice & Theory*, 37, 1, February, p. 191–213.

7. Organizational Structure and External Reporting (February 20)	Rucsandra Moldovan
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André, P., Filip, A., and Moldovan, R. (2016). Segment Disclosure Quantity and Quality under IFRS 8: Determinants and the Effect of Financial Analysts' Earnings Forecast Errors. *The International Journal of Accounting*, 51(4), 443–461.

Bens, D. A., Berger, P. G., and Monahan, S. J. (2011). Discretionary disclosure in financial reporting: An examination comparing internal firm data to externally reported segment data. *Accounting Review*, 86(2), 417–449.

Cannizzaro, A. P., and Weiner, R. J. (2015). Multinational investment and voluntary disclosure: Project-level evidence from the petroleum industry. *Accounting, Organizations and Society*, 42, 32–47.

Hope, O. K., and Thomas, W. B. (2008). Managerial empire building and firm disclosure. *Journal of Accounting Research*, 46(3), 591–626.

8. Risk Management: Social Construction or Effective Tool? (Feb 27)	Michel Magnan
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Arena, M., Arnaboldi, M., & Palermo, T. 2017. The dynamics of (dis) integrated risk management: A comparative field study. *Accounting, Organizations and Society*, 62, 65-81.

Braumann, E. C. 2018. Analyzing the Role of Risk Awareness in Enterprise Risk Management. *Journal of Management Accounting Research*.

Brivot, M., Himick, D. and Martinez, D., 2016. Constructing, Contesting, and Overloading: A Study of Risk Management Framing. *European Accounting Review*, pp.1-26.

Cassar, G., & Gerakos, J. 2017. Do risk management practices work? Evidence from hedge funds. *Review of Accounting Studies*, 1-38.

Themsen, T. N., & Skærbæk, P. 2018. The performativity of risk management frameworks and technologies: The translation of uncertainties into pure and impure risks. *Accounting, Organizations and Society*, 67, 20-33.

9. Impacts of Emerging Technologies on MCS (March 06)	Emilio Boulianne
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Appelbaum, D., Kogan, A., Vasarhelyi, M., Yan, Z. 2017. Impact of business analytics and enterprise systems on managerial accounting, *International Journal of Accounting Information Systems*, 25, p. 29-44.

Coyne, J.G., McMickle, P.L. 2017. Can Blockchains Serve an Accounting Purpose? *Journal of Emerging Technologies in Accounting*, 14, 2, Fall 2017, p. 101–111.

Kokina, J., Davenport, T. H., 2017. The Emergence of Artificial Intelligence: How Automation is Changing Auditing, *Journal of Emerging Technologies in Accounting*, 14, 1, Spring, p. 115–122.

Kokina, J., Mancha, R., Pachamanova, D., 2017. Blockchain: Emergent Industry Adoption and Implications for Accounting, *Journal of Emerging Technologies in Accounting*, 14, 2, Fall, p. 91–100.

Dai, J., Vasarhelyi, M. A., 2017. Toward Blockchain-Based Accounting and Assurance, *Journal of Information Systems*, 31, 3, Fall p. 5-21.

Richins, G., Stapleton, A., Stratopoulos, T.C., and Wong, C., 2017. Big Data Analytics: Opportunity or Threat for the Accounting Profession? *Journal of Information Systems*, 31, 3, Fall, p. 63–97.

Pimentel, E., Boulianne, E., Eskandari, S., Clark, J. 2019. *A First Look at Auditing in a Blockchain World*, Working paper, Concordia University, Montreal.

CPA Ontario, 2018. *Navigating the Brave New World of Cryptocurrency and ICOs*, Thought Leadership Series, CPAOntario.ca, 36 pages.

<u>Deadline to submit the research proposal's draft (3 pages): March 11, 2019</u>
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10. Performance Management (March 13)	Michel Magnan
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Bedford, D. S., Malmi, T., & Sandelin, M. 2016. Management control effectiveness and strategy: An empirical analysis of packages and systems. *Accounting, Organizations and Society*, 51, 12-28.

Chiwamit, P., Modell, S., & Scapens, R. W. 2017. Regulation and adaptation of management accounting innovations: The case of economic value added in Thai state-owned enterprises. *Management Accounting Research*, 37, 30-48.

Cooper, D. J., Ezzamel, M., & Qu, S. Q. (2017). Popularizing a management accounting idea: The case of the balanced scorecard. *Contemporary Accounting Research*.

Groen, B. A., Wouters, M. J., & Wilderom, C. P. 2017. Employee participation, performance metrics, and job performance: A survey study based on self-determination theory. *Management accounting research*, 36, 51-66.

Hiebl, M. R. 2018. Management accounting as a political resource for enabling embedded agency. *Management Accounting Research*, 38, 22-38.

11. Sustainability Accounting (March 20)	Michel Magnan
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Diouf, D., & Boiral, O. 2017. The quality of sustainability reports and impression management: A stakeholder perspective. *Accounting, Auditing & Accountability Journal*, 30(3), 643-667.

Soderstrom, K. M., Soderstrom, N. S., & Stewart, C. R. 2017. Sustainability/CSR research in management accounting: A review of the literature. *Advances in Management Accounting*, 59-85).

Steinmeier, M., & Stich, M. 2017. Does Sustainability Assurance Improve Managerial Investment Decisions?. *European Accounting Review*, 1-33.

Wijethilake, C. 2017. Proactive sustainability strategy and corporate sustainability performance: The mediating effect of sustainability control systems. *Journal of environmental management*, 196, 569-582.

12. Governance and control (March 27)	Michel Magnan
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Dong, Y., Girardone, C., & Kuo, J. M. 2017. Governance, efficiency and risk taking in Chinese banking. *The British Accounting Review*, 49(2), 211-229.

Kaufman, M., & Covaleski, M. A. 2018. Budget formality and informality as a tool for organizing and governance amidst divergent institutional logics. *Accounting, Organizations and Society*.

Yang, C. and Modell, S., 2015. Shareholder orientation and the framing of management control practices: A field study in a Chinese state-owned enterprise. *Accounting, Organizations and Society*, 45, pp.1-23.

Viscelli, T. R., Hermanson, D. R., & Beasley, M. S. 2017. The integration of ERM and strategy: Implications for corporate governance. *Accounting Horizons*, 31(2), 69-82.

13. Annual Workshop in Management Control (ACG) <u>Friday, March 29, full day, at FSA Laval, Quebec City</u>	Boulianne and Magnan
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Oler, D.K., Pasewark, W.R., 2016. How to Review a Paper, *Issues in Accounting Education*, 31, 2, p. 219-234.

Cook, K.A.; Hart, M., Kinney, M. R, Oler, D.K., 2016. How to Discuss a Paper: Developing and Showcasing Your Scholarly Skills. *Issues in Accounting Education*, 31, 2, p. 211-218.

Based on submissions, research papers to review will be assigned.

<u>Research paper presentations: April 10, 2019</u>
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<u>Deadline to submit the Research Paper: April 22, 2019</u>
