

## Abstracts

SESSION 1.01: TRADITIONAL ACCOUNTING ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 10:30 AM–12:00 PM

*Measuring Tokenism in Female Director Appointments and Its Impact on Firm Performance*

**Shobhit Aggarwal**

*Indian Institute of Management*

**Amish Dugar**

*Indian Institute of Management*

**Sandhya Bhatia**

*Indian Institute of Management*

**ABSTRACT:** Regulatory changes, across the world, are increasingly mandating higher female participation in corporate boards. The requirement varies from having at least one female director (India) to as high as 40% seats reserved for women (Norway). These mandates have both a sociological and an economic impact. The sociological implication is that the compliance attempts to break the glass ceiling that women have historically faced to enter into positions of responsibility in firms (Bilimoria, 1995). The economic impact, though, is uncertain since it is not clear whether the female directors add value economically to the firm or their presence is mere tokenism. Prior literature uses the term “tokenism” based on the headcount of female directors and considers experience, qualification, number of directorships or committee memberships of the female directors to assess their status on the board. We argue that one or two parameters are insufficient to measure tokenism, and a multidimensional perspective is required to understand female directors’ contribution to the board. In this paper, we intend to construct an anti-tokenism index that captures multiple aspects of female directors to classify firms based on whether they indulge in appointing token directors. We propose to conduct a multi-country study where there is a gender-based quota to examine female directors’ effectiveness for the firm by considering their role in three firm level outcomes—(a) earnings and audit quality, (b) firm’s accounting performance, and (c) market valuation. We expect that in firms which have low levels of potential tokenism, female directors would add higher value to the firm outcomes.

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## Abstracts

SESSION 1.01: TRADITIONAL ACCOUNTING ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 10:30 AM–12:00 PM

### *Peer Influence on Managerial Honesty: The Moderating Role of Earnings Position*

**Chaoping Li**  
*Skidmore College*

**Andrea R. Drake**  
*Louisiana Tech University*

**ABSTRACT:** Using a production budgeting experiment, this study examines the effects of peer influence and firm earnings position on managerial honesty. In the experiment, participants report production costs to request funds from the firm based on their actual, private cost information. Honesty is measured as the difference between the cost reported and the actual cost of production. We manipulate peer influence by showing participants either an honest or dishonest peer cost report. The firm's earnings position is manipulated at two levels. The first is a gain condition where the firm earns positive profits regardless of the managerial cost reporting decision. The second is a gain/loss condition where the firm's earnings position (i.e., positive or negative profits) depends on the managerial cost reporting decision. We find that participants overstate costs (i.e., were less honest) to a greater extent in the dishonest peer influence condition than in the honest peer influence condition. In addition, we find that the effectiveness of peer influence on managerial honesty is context dependent. Specifically, participants respond to both dishonest and honest peer influence in the gain condition but they do not respond to peer influence in the gain/loss condition. The contribution of this study is twofold. It provides evidence for the honest peer influence on honesty and it highlights the role of earnings position on the effectiveness of peer influence on honesty. Controlling the disclosure of certain peer information is not possible because individuals can learn about peer information (honest or dishonest) formally or informally. Such uncontrollable peer information may be harmful to firms. Our results show firms that providing managers the consequences of managerial budgeting on the firm operational outcome can neutralize the effect of peer influence on managerial honesty.

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SESSION 1.01: TRADITIONAL ACCOUNTING ISSUES

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*Serial CEOs and Managerial Ability: Do Venture Backed Companies Have a Comparative Advantage?*

**Sydnee Manley**  
*Providence College*

**ABSTRACT:** This paper examines the relationship between serial chief executive officers (CEOs), venture capital support, and company performance. One crucial task of venture capitalists, or any stakeholder, is to find talented executives to lead their companies. However, finding quality CEOs for young growth companies with a relatively short financial history can be a difficult endeavor. Venture capitalists may have a comparative advantage in this area because many network within the venture capital industry to “recycle” CEOs (De Carvalho, Calomiris, and de Matos 2008). In other words, venture capitalists network to hire CEOs who already have CEO experience at a different venture backed company. This provides venture capitalists with a unique opportunity; to hire serial CEOs with venture capital industry specific experience. Therefore, this study considers the following research questions: (1) Are recycled CEOs better abled than other CEOs, and (2) do recycled CEOs have a positive relationship to future firm performance? To address this question, I use a hand collected sample of serial CEOs (CEOs with prior CEO experience), and recycled CEOs (serial CEOs at venture backed companies) to examine their relationship with managerial ability and future firm performance. Although there is literature to support the positive association between CEOs and firm performance (Demerjian et al. 2012; Demerjian, Lev, Lewis, and McVay 2013), little analysis of recycled CEOs is available. Using various univariate and multivariable tests, I find evidence that recycled CEOs have a positive association to future managerial ability and provide incremental explanatory power over venture backing with respect to future management quality and firm profitability. These findings provide evidence that recycled CEOs provide future benefit to the companies they lead and that venture capital success may be due in part to the ability of the CEOs and not just to venture capitalist oversight.

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## Abstracts

SESSION 1.02: TEACHING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 10:30 AM–12:00 PM

### *Is Accounting a Miserable Job?*

**Paul E. Madsen**

*University of Florida*

**Zhenhao Piao**

*University of Florida*

**ABSTRACT:** Popular culture portrays accounting as a miserable job. Accounting research evaluating the boring “beancounter stereotype” argues that it is wrong and costly because it reduces the appeal of accounting to high quality students and exacts a psychological toll on accountants who are thus stereotyped. In this study, we empirically test the basic question: is accounting a miserable job? We use data from a variety of sources that enable us to measure workplace misery and model it as a function of work tasks and personal characteristics of workers across occupations. We find that accounting work is particularly sedentary, rigid, repetitive, constrained, and rules-centric; characteristics that are consistent with the accounting stereotype and that prior work outside of accounting has shown are associated with workplace misery. However, we find that accounting is not a miserable job. In univariate and multivariate tests, we find that accounting has misery values that are either near the average or are better than average for comparison jobs. This apparent paradox could be a positive consequence of accounting stereotypes, which may facilitate the matching of potentially miserable work with people who are most prepared to tolerate it. Indeed, we present longitudinal evidence suggesting that accounting attracts people with personalities suited to repetitive and rules-centric work and who have psychosocial histories that make them robust to stress. Workplace misery is costly to workers, employers, and society and accounting stereotypes have value if they facilitate informed career selection.

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## Abstracts

SESSION 1.02: TEACHING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 10:30 AM–12:00 PM

*Using the Theory of Reasoned Action to Understand First-Generation College-Bound Students' Intent to Major in Accounting*

**Edward Elkanah Scott**  
*Slippery Rock University*

**S. Cathryn McCrary**  
*Georgia Gwinnett College*

**ABSTRACT:** With an average annual salary of \$66,000 for newly minted CPAs, the accounting profession might be an attractive option persuading some college undergrads to choose accounting as a major. However, students who are the first in their family to attend college are less likely to persist through graduation and may be less inclined to pursue a professional career such as accounting. This study examines whether first-generation college students view accounting as a viable career path, particularly when compared to continuing generation students who presumably have greater access to social resources that expose them to professional career options. We analyze survey data from 238 undergraduate participants along with data collected via three focus group discussions conducted with high school students. After identifying themes in the data, we operationalize variables to explain factors influencing first-generation college students' decision to major in accounting and pursue a career in the accounting profession.

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## Abstracts

SESSION 1.02: TEACHING

DATE: SATURDAY, NOVEMBER 2, 2019

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### *Incorporating Diversity and Inclusion into the Business Curriculum*

**Joanna L. Garcia**  
*John Carroll University*

**ABSTRACT:** In a society that is becoming both increasingly diverse and increasingly polarized around issues of diversity, the college campus is a unique place where young people can develop both an awareness and true appreciation of that diversity. Diversity and inclusion efforts on campus are often focused on attracting and retaining diverse students and faculty. These are certainly important and worthwhile goals, but not explicitly in the control of most faculty members. Faculty generally do have at least some control over the specific lessons, assignments, and exams that comprise their classes. Faculty have a responsibility to create classrooms that welcome and respect all students, but they also have an opportunity to go further and encourage students to embrace diversity and develop values of inclusion through their course design. This paper provides practical suggestions for faculty to increase the diversity reflected in their courses and course materials.

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## Abstracts

SESSION 1.02: TEACHING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 10:30 AM–12:00 PM

### *Lessons on Diversity from Generation Z: Applications for Dialogic Accounting*

**Joanne Sopt**

*San Francisco State University*

**ABSTRACT:** The subject of ideology and accounting in the accounting literature has been a subject of interest over several decades. While many argue that accounting is neutral, a tradition exists in the accounting literature to highlight its ideological elements (Hunt & Hogler, 1990; Mäkelä, 2013). Dialogic accounting has recently attempted to incorporate that viewpoint more centrally into the subject of accounting with the goal of moving the process of accounting to be more democratic. Its first principle is to recognize multiple ideological orientations (Brown, 2009) which captures different “values, perspectives, and assumptions” (p. 324). Another principle of dialogic accounting is the need to have effective participatory processes. With multiple ideologies interacting even more difficulties present themselves such as the uncertainty regarding how to engage with differences (Brown & Dillard, 2013b). There is a risk that the communication channels will break down from a lack of dialogue or individuals not being listened to (McKinstry, 2007; Malmrose, 2015). Even though risks exist, engaging with a diversity of ideologies has its benefits such as offering clumsy solutions to wicked problems (Rayner, 2006). Since Brown (2009), the academic community has responded with more theoretical and empirical contributions to the project but more work is needed to make its principles more practical. As a whole, the project can be viewed as utopian (Dillard & Vinnari, 2017) so more insights into how its principles may be applied are needed. This project intends to contribute to the literature by asking those who live with diversity more than past generations, Generation Z, how they have learned to work with diversity of ideologies for the purpose of providing lessons to the dialogic accounting project.

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## Abstracts

SESSION 2.01: AUDITING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

*Diversity of Due Process Stakeholder Participation: An Examination of Yellow Book Auditing Standards*

**Renee Flasher**

*The Pennsylvania State University Harrisburg*

**Michelle Lau**

*Brock University*

**Dara M. Marshall**

*Texas A&M University–Central Texas*

**ABSTRACT:** Auditors are required to follow governmental auditing standards when performing audits of entities expending significant federal government dollars. This study explores the diversity of the stakeholders participating in the comment letter phase in conjunction with the creation of government auditing standards. Our analysis of the 95 comment letters received by the US Government Accountability Office (GAO) for their 2017 Exposure Draft for the current version of the government auditing standards reveals a strong bias towards auditor participation. Other groups, including users and preparers of governmental information, are not well represented amongst the comment letter writers. The geographic spread and gender of the letter writers do provide limited diversity to the GAO. Also, the comment letter writers respond to the GAO's directed questions more than they spontaneously comment on the chapters of the document. Our findings are consistent with a narrow group of stakeholders influencing the standards potentially resulting in suboptimal standards. The implications for our study reveal opportunities for academics, government accounting preparers and users of government auditing standards output to be more engaged in the standard-setting process.

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## Abstracts

SESSION 2.01: AUDITING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

### *Mid-Tier Audit Firm Partners and their Educational Roots*

**Lydia N. Didia**

*The Pennsylvania State University Harrisburg*

**Renee Flasher**

*The Pennsylvania State University Harrisburg*

**ABSTRACT:** The authors harness the transparency in the Public Company Accounting Oversight Board (PCAOB) requirement to disclose names of engagement partners on each public company financial audit on Form AP to study the gender diversity and educational root of mid-tier audit firm partners. We create a sample of 435 audit partners at four mid-tier audit firms to explore gender diversity. For a subsample of these individuals, we use the Internet to associate the individuals with the institutions awarding their bachelor's degrees. We find that the mid-tier audit firms have similar gender ratios as reported numbers for the Big Four firms. Our results reveal that these partners earn degrees at institutions of all sizes and types. However, the larger, doctoral-granting institutions are significantly associated with the existence of female audit partners at these firms. Other school characteristics are not statistically significant with gender diversity at the partner level for these firms. Our results imply that educational institutions have a significant opportunity to promote the highest level of auditing to our female students and develop programs to support female students prior to beginning their professional careers.

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## Abstracts

SESSION 2.01: AUDITING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

### *The Office Effects of Audit Time Pressure: The Acceleration of 10-K Filing Deadlines*

**Bei Dong**

*University of South Florida*

**Jonathan Nash**

*University of New Hampshire*

**Le Xu**

*University of New Hampshire*

**ABSTRACT:** This study examines the audit office effects of changes in client time pressure, using the acceleration of 10-K filing deadlines as the research setting. The extant literature provides evidence that increased client time pressure adversely affects the timing and quality of individual engagements. We argue that because audit offices possess finite resources and production capacity, client pressure can have intra- and inter-office effects. We document intra-office differences related to changes in audit timeliness; within the same audit office, clients with no pressure (with pressure) post-acceleration experience an increase (a decrease) in audit report lag. This evidence suggests auditors alter the timing of concurrent engagements in response to client pressure and clients of the same office are not uniformly affected by changes in time pressure. We also document inter-office effects related to (audit and filing) timeliness and audit quality; clients of audit offices with more time pressure across the entire client portfolio have a greater increase in audit delay, are more likely to file late, and experience lower audit quality. Taken as a whole, our results are consistent with auditors' response to increased resource constraints allowing client pressure to produce office effects. These results should be informative to regulators and practitioners concerned with the consequences of audit office resource constraints.

## Abstracts

SESSION 2.01: AUDITING

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

### *Organization Capital and Firm Auditor Choice*

**Jaeseong Lim**  
*Hartwick College*

**Juan Qin**  
*SUNY College at Oneonta*

**ABSTRACT:** This study investigates the relation between auditor choice and organization capital, an intangible resource of firms. Prior research suggests that firms' intangibles are positively associated with information asymmetry between management and investors and with investors' uncertainty on firms' fundamental value, thus increasing firms' cost of capital. Accordingly, we expect firms with more organization capital are inclined to engage higher quality audit to mitigate the information asymmetry and enhance investors' confidence in information quality. As predicted, we find that organization capital is positively associated with the proxies of higher quality audit, Big 4 and industry specialist. In additional tests, we rule out alternative explanation of our findings by testing the effect of client size on auditor choice, we adopt other measures of industry expertise, we consider the event effect of the passage of Sarbanes-Oxley Act (SOX) and the financial crisis on our findings, we also address the endogeneity concern, and finally we get consistent results that support our hypothesis. Our study contributes to the literature of organization capital and auditor choice and highlights the importance of organization capital in corporate policy making.

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## Abstracts

### SESSION 2.02: RACIAL ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

*How African American Accountants Managed Their Social Identity in White-Dominated Firms and Effects on Supervisor Familiarity and Turnover-Intent*

**Edward Elkanah Scott**  
*Slippery Rock University*

**Cynthia S. Wang**  
*Northwestern University*

**Alexis N. Smith**  
*Oklahoma State University*

**Bryan Edwards**  
*Oklahoma State University*

**ABSTRACT:** Over the past two decades, as workplace diversity and inclusion initiatives have crystallized in public accounting firms, it was hoped that retention rates for underrepresented minority groups would increase; unfortunately, they have not. However, findings from this study revealed that although significant work remains to be done, the profession has moved in the right direction, particularly related to African American accountants in the early stages of their careers. African American accountants still suffer from devaluation of their social identity; however, this study found that when they used social identity-based impression management strategies that played up their social identity, their perceived level of supervisor familiarity was increased. Thus, African American accountants perceived congruency between being racially authentic through the use of positive distinctiveness impression management strategies, while they simultaneously built relationships with coworkers by gaining familiarity with them. When they gained familiarity with supervisors, their turnover intent was reduced. We also found that when African American accountants played down their social identity by using social recategorization strategies, they did not gain familiarity with their supervisors. Thus, the significant work that remains to be done by White-dominated accounting firms, is to reduce the period of time African American accountants are wanting to be positive distinctive while waiting to be positive distinctive. We examined data collected from 220 African American accounting professionals. We used a three-stage serial mediation model that incorporated the variables of interest related to social, psychological, and organizational behavior theories. Results from structural path analyses were reported. Implications for theory and practice; research limitations; and guidance for future research were discussed.

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## Abstracts

SESSION 2.02: RACIAL ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

*Impact of U.S. Tax Law and Policy on African Americans: A Historical Review*

**Jean Wells**

*Howard University*

**Gwendolyn McFadden**

*North Carolina Agricultural and Technical State University*

**ABSTRACT:** Throughout its history, the U.S. tax law and policies, at both the federal and state levels, have disproportionately impacted African Americans. This paper will conduct a historical review of the impact of tax laws and policies, starting from the days of slavery all the way through to the 21st century, on African Americans at both the federal and state levels. This paper will examine the importance of the slave taxes (taxes imposed on slave owners based on the number of slaves owned) which was a significant source of revenues for some southern states until the Civil War when slavery was abolished. The federal government imposed a tax on the importation of slaves; these taxes were used primarily to finance wars. The paper will examine other tax laws and policies that affected other facets of African American lives including education. The paper will conclude with an examination of recent tax laws and policies that continue to disproportionately impact African Americans including higher Internal Revenue Service tax audits in heavily populated African American counties and the negative impact of the Tax Cuts and Jobs Act on bridging the racial wealth divide between Whites and African Americans.

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SESSION 2.02: RACIAL ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

*The Visible Host: Does Race Guide Airbnb Rental Rates in San Francisco?*

**Joel Voelz**

, San Francisco State University/University of South Florida/Crystal Springs Uplands School

**ABSTRACT:** Peer to Peer e-commerce is increasingly characterized by trends towards the personalization of buyers and sellers in the online marketplace. This personalization includes buyer reviews, personal pictures and profiles, and other biographical information intended to reduce buyers' perceived "purchase risk" or to facilitate trust in the sellers. However, this phenomenon is transforming what started as an essentially "anonymous" market to one susceptible to traditional market failures, including potential racial discrimination, in a manner similar to its brick and mortar counterparts. In this paper, we examine the effect of online host information (race, gender, sexual orientation, etc.) on the price of available rental listings in San Francisco on Airbnb.com. We find that on average, Asian and Hispanic hosts charge 8%-10% lower prices relative to their White counterparts on equivalent rental properties, after controlling for all renter-available information on rental unit characteristics, as well as additional information on neighborhood property values, area demographics, and occupancy rates. We do not find any differences in occupancy rates between minority and White hosts. This may suggest that minorities price lower because they are forward-looking, perhaps due to an expectation of discrimination in the online marketplace or have a preference to increase demand to either maintain their target occupancy level or to attract a larger pool of potential renters to choose from. Overall, our findings are consistent with but not conclusive of a market test of potential racial discrimination affecting Hispanic Airbnb hosts, manifested in an anticipation of disparate market demand for their rentals, and responded to by lower listing prices.

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SESSION 2.02: RACIAL ISSUES

DATE: SATURDAY, NOVEMBER 2, 2019

TIME: 1:45 PM–3:15 PM

*What's the Deal! Who Holds the Race Card? A Critical Race Theory Analysis of the African American and Black British*

**Anton Lewis**

*Valparaiso University*

**ABSTRACT:** Accounting revolves around fairness. But past research refutes this assertion suggesting that unfairness actually marks the life of many Black accountants, asking the question what does it mean to a Black professional in differing UK and U.S. space? This paper sees Black accounting life as a raced game from the outset. While success at the C-suite is possible it is nevertheless difficult to achieve, unavailable to most. Many Blacks recognize this situation but choose not to accept it leading to the 'crashing' of racism against a neutral accounting vista. Overall most playing the accounting game wished simply to know how best to play to win.

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## Abstracts

SESSION 3.01: INTERNATIONAL ISSUES

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

### *Accounting and the Management of Petroleum Subsidies in Nigeria*

**Owolabi Bakre**

*Queen Mary University of London*

**Simeon Femi Fayemi**

*Queen Mary University of London*

**ABSTRACT:** Purpose—This paper critically examines the claim that as a technology of market solution, accounting, in particular International Public Sector Accounting Standards (IPSAS), would improve transparency and accountability in corruptly-managed subsidies on petroleum products, employed by Nigeria to redistribute wealth as part of its welfare programme. Design/methodology/approach—A qualitative methodology was utilised to explore links between neoliberalism, accounting and accountability in a socio-political context, focusing on Nigeria. The data used was a comprehensive analysis of relevant documents and reports, and in-depth interviews with key actors in the Nigerian oil and gas sector, as well as members of the National Assembly, other public officials and professionals, notably accountants. Findings – Outcomes before and after the removal of subsidies from petroleum and kerosene products are presented. Before the removal of subsidies, transfer pricing and other accounting practices were utilised to manipulate the cost price and the sale of imported petroleum and kerosene products to Nigerian customers as well as to justify economic rent in both processes. The commitment to market forces (deregulate the petroleum and kerosene market) and the enlisting of accounting to reduce corruption and increase efficiency in the management of the subsidies, witnessed the continued use of accounting practices to conceal a lack of accountability and corruption in the management. The adoption of IPSAS as a technology of market solution, with the main objective of improving transparency and accountability and reducing corruption in the management of the subsidies, also failed to be actualised. Originality/value—This study challenges the neoliberal assumption that in a corrupt socio-political context with ineffective institutions of governance and a weak regulatory framework such as Nigeria, technology of market solution such as IPSAS, is a means of improving transparency and accountability and hence addressing corruption.

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## Abstracts

SESSION 3.01: INTERNATIONAL ISSUES

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

*Black Bodies: Labor or Raw Materials? South Africa Gold Mining and the Decimation of Black Miners' Health*

**Theresa Hammond**

*San Francisco State University*

**Christine Cooper**

*University of Edinburgh*

**Christopher Van Staden**

*Auckland University of Technology*

**ABSTRACT:** This paper examines the commodification of black workers as “inputs” to a wealth-generation process that benefited South African gold mine owners. The paper examines the dehumanizing treatment and discussion of black workers from the founding of the gold-mining industry in the late 1800s through the mid-1970s. The wealth generated by gold mining sustained apartheid while decimating black miners’ health through the migrant labor system, lung disease, and violence.

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## Abstracts

SESSION 3.01: INTERNATIONAL ISSUES

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

*Motivations, Characteristics, and Evolution of Discussion of Gender Quotas in the Board of Directors under the Institutional Theory Perspective*

**Tatiane Antonovz**

*Universidade Federal do Parana*

**Michael Dias Correa**

*Universidade Federal do Parana*

**Simone Bernardes Voese**

*Universidade Federal do Parana*

**ABSTRACT:** Researches on representativeness and diversity, with emphasis on the feminine gender and their participation in the market in executive positions and specifically on Boards of Directors, have been motivated by the absence of women in such functions in several parts of the world. The insertion of quota issues from an institutional and legal perspective also stands out in the literature on gender in the business area. There are tensions that could arise with the reservation of places for women and the dilemmas related to Institutional Theory, stakeholders, social identity of organizations and social capital. Under the representativeness of the feminine gender in Brazil, it should be emphasized that the country comes from a macho and paternalistic tradition, marked by the gender inequality that places the female subject, as well as other classes understood as minorities, such as blacks, poor, indigenous, gays and others. These aspects reinforce the difficulty of these individuals to stand out and affirm themselves in management and leadership roles, harming diversity in organizations. In this sense, some initiatives were created in Brazil such as the Women's Movement +360, the Gender Equality and Race Program and the Business Coalition for Racial and Gender Equity. However, despite such initiatives, they hold less than 8% of the boards of directors of a total of 339 companies surveyed in 2015. This percentage has been lower in recent years than in several BRICS countries. In China, for example, the percentage is 8.1%, but without compulsory regulation, and in South Africa, with legal enforcement, the percentage is 17.1%. According to the Global Gender Gap Report, Brazil is in 95th position in a rank of 149 countries that analyze gender equality, labor market issues and education. The report found that, although there are laws requiring non-discrimination, there are no standards that require equal pay for men and women and that they generally suffer more from unemployment. Looking at this context, the following research question arises: What motivations affect the evolution of the debate on gender quotas and implementation within the boards of directors of public government companies in Brazil? In the methodology it will be used the descriptive and qualitative procedures. The qualitative research does not seek regularities, but the understanding of agents and what led them to act as they do. This research will be done through a documentary survey (secondary data) and content analysis.

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SESSION 3.01: INTERNATIONAL ISSUES

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

*Permanent Establishment Representing Business Activities for a Computerized Economy*

**Aki Tomita**  
*Toyo University*

**ABSTRACT:** According to 2015 BEPS Action 1 Report, owing to pervasiveness of low-cost high-performance computers and communication networks, the whole economy is digitalizing and, as a result, it would be difficult, if not impossible, to ring-fence the digital economy. Everyone easily finds that businesses participate in the economic life of a jurisdiction without an associated physical presence. Value is created by a business activity through physically remote but virtually local participation in that jurisdiction. The purpose of this paper is to examine a nexus rule for highly digitalized business models accompanied with high degree of user participation. The term “market jurisdiction” refers to the jurisdiction where the customers of the business are located. In the context of many digitalized business models, this definition would cover the jurisdiction where the user is located either because the user acquires goods or services directly from the on-line provider or because the on-line provider provides services to another business (such as advertising). This is just one side of user participation. On a multi-sided platform, users provide license to data in consideration for services they receive. For example, Facebook Terms of Service indicate that when users share or post content that is covered by intellectual property rights on or in connection with Facebook products, users grant Facebook a non-exclusive, transferable, sub-licensable, royalty-free and worldwide license to host, use, distribute, modify, run, copy, publicly perform or display, translate and create derivative works of their content. Users receive Facebook services in exchange for the license. Twitter Terms of Service more clearly indicate that in consideration for Twitter granting users access to and use of the Twitter services, users agree that Twitter may place advertising on the Twitter services or in connection with the display of content or information from the services whether submitted by users or others. As a new nexus rule for a highly digitalized multi-platform business, this paper proposes the residence of users who provide license to data in exchange for receiving services. Using the traditional cost plus method by comparing the traditional data brokers and data marketplaces, profits allocated to market jurisdiction can be determined. This paper has also pointed out that highly digital businesses should recognize license to user data and content as intangible assets which is source of value and is acquired in consideration of providing their competitive services.

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## Abstracts

SESSION 3.02: CONSERVATISM

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

*CEO-Board Social Ties and Accounting Conservatism: The Moderating Effect of Internal Control Quality*

**Jidong Zhang**

*University of Wisconsin–Eau Claire*

**Meiqun Yin**

*Beijing International Studies University*

**Jing Han**

*Winona State University*

**ABSTRACT:** We examine the moderating effect of internal control quality on the relation between CEO-board social ties and accounting conservatism for a sample of Chinese public firm. The paper hypothesizes that CEO-board social ties negatively impacts on accounting conservatism by the moderating effect of internal control quality. We argue that inadequate of board monitoring for existence of CEO-board social ties would lead to internal control deficiency. These internal control deficiencies appear to corporate disclosure like accounting policy choice: accounting conservatism. The paper provides the evidence that the effect of CEO-board social ties on corporate governance in strategic decision making like accounting conservatism and explore the mechanism how CEO-board social tie affects accounting conservatism by moderating effect of internal control.

## Abstracts

SESSION 3.02: CONSERVATISM

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

*Does Bank Competition Affect Managers' Asymmetric Disclosure? Evidence from a Natural Experiment*

**Liya Hou**

*The University of Texas at Dallas*

**ABSTRACT:** This study exploits the interstate bank branching deregulation as a natural experiment to investigate the impact of bank competition on managers' asymmetric disclosure. I expect that as firms possess greater bargaining power in debt contracting and have more opportunities to obtain debt financing following the banking deregulation, managers are more likely to withhold bad news relative to good news. Consistent with my prediction, I find that firms reduce the timeliness of bad news disclosures, and the effect is more pronounced in states with fewer interstate branching restrictions than states with more restrictions. The results suggest that bank competition plays a significant role in affecting managers' voluntary disclosure decisions.

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## Abstracts

SESSION 3.02: CONSERVATISM

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 8:15 AM–9:30 AM

### *Does CFO Ethnicity Influence Accounting Conservatism?*

**Cody Lu**

*University of Massachusetts Amherst*

**ABSTRACT:** I examine the association between the ethnicity of a CFO and the magnitude of her accounting conservatism. I find that firms headed by CFOs of non-White ethnicities exhibit lower degrees of accounting conservatism than firms headed by White CFOs. This documented effect is especially pronounced for firms in which the CFO and CEO have the same ethnic background. This association is also more pronounced in firms that are subject to less external monitoring. My results contribute to the extant knowledge on the determinants of accounting conservatism and, in particular, the effects of a salient top manager characteristic. In addition, the findings of this study imply that the value of companies' workplace diversification efforts extend beyond that of just public image and perception; doing so can also serve to benefit financial reporting outcomes, which holds significant implications on the capital market.

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## Abstracts

SESSION 4.01: DOCTORAL ROAD PAPERS

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 9:45 AM–11:30 AM

*Blurred Lines: How Firm-Level Messaging Impacts Awareness of Cultural Differences During Review of Component Auditors' Work*

**Danielle Grant**  
*AICPA Foundation*

**ABSTRACT:** Academic research and regulatory inspection findings indicate issues with multinational audits, specifically related to lead auditors' review and critical evaluation of the work of component auditors. One factor that may be exacerbating this problem is the lead auditors' lack of consideration of the vast difference in national culture of component auditors located outside of the U.S., which impacts the subjective interpretation and application of accounting and auditing standards. Cultural differences between lead and component auditors in different countries potentially create challenges for firms that "espouse a view of consistency in the service and quality provided by member firms worldwide" (Downey and Westermann 2018). Recent communications by accounting firm leadership and regulators emphasize standardization of firm-level audit methodology/approaches to enhance consistency across the globe. This type of messaging approach may make lead auditors less aware of cultural differences and in turn reduce lead auditors' professional skepticism when reviewing the work of the firm's in-network component auditor. I expect to find that firm-level messaging that places greater emphasis on distinction of network affiliates and less emphasis on global consistency will make lead auditors more aware of cultural differences, heighten professional skepticism, and in turn improve audit quality.

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## Abstracts

SESSION 4.01: DOCTORAL ROAD PAPERS

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 9:45 AM–11:30 AM

### *Social Reporting and the Disclosure of Non-Financial Information: Useful or Useless Information?*

**Andria Hill**

*University of Central Florida*

**ABSTRACT:** This summary serves as an overview of my dissertation project. The first paper in my dissertation project proposes a conceptual framework that can be used to assess the usefulness of non-financial information in decision making. The conceptual framework is referred to as the Information Assessment Model (IAM) and it is derived from constructs within the Theory of Planned Behavior (TPB) (Ajzen, 2012; Ajzen, 2005; Ajzen, 1991; Ajzen, 1985) and the Technology Assessment Model (TAM) (Davis, 1989; Davis, 1989; Davis, 1986). The IAM model posits that information specific, individual specific and decision specific factors can be used to assess an individual's utilization of information in their decision making. The second paper in my dissertation uses the IAM to assess the usefulness non-financial information reported in supplier diversity disclosures. Information related to diversity within an organization's supply chain is voluntarily disclosed in sustainability and Corporate Social Responsibility (CSR) reports. Since this information varies between organizations and within organizations over time, taking a macro level approach to assessing the usefulness of the information will help reduce the information asymmetries between management and its investors. The third paper in my dissertation uses structural equation modeling (SEM) to test the IAM's ability to assess the usage of non-financial information in decision making. This dissertation project contributes to the literature by introducing and testing a novel conceptual framework. Although this project specifically assesses non-financial information related to supplier diversity, the IAM is applicable to other social accounts.

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## Abstracts

SESSION 4.01: DOCTORAL ROAD PAPERS

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 9:45 AM–11:30 AM

*You Owe Me, But I Own You: Borrowers' Reporting Conservatism When Lenders are Shareholders*

**Rui-Zhong Zhang**  
*Tulane University*

**ABSTRACT:** I argue that dual holders, i.e., financial institutions that simultaneously hold both debt and equity claims of the same firm will demand less conservative financial reporting because dual holders reduce shareholder-debtholder conflicts. Consistent with this prediction, I find that firms with dual holders report less conservatively than other firms with outstanding debt. My results are robust to using multiple alternative measures of accounting conservatism. Further, as expected, the reduction in conservatism is more pronounced when the shareholder-debtholder agency conflict is high, i.e., when borrowers are closer to default or when borrowers' real assets are less redeployable. I address endogeneity concerns using a propensity score matching technique, an instrumental variables approach, and a largely exogenous shock to the existence of a dual holder that resulted from the merger of Bank of America with Merrill Lynch. Overall, my findings provide novel evidence that dual holders impact a firm's accounting choices.

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## Abstracts

SESSION 4.01: DOCTORAL ROAD PAPERS

DATE: SUNDAY, NOVEMBER 3, 2019

TIME: 9:45 AM–11:30 AM

*Does Cognitive Flexibility Moderate the Effect of Goal-Directed Information Processing on Auditors' Ability to Assess and Respond to Risk?*

**Kimberly Walker**

*University of Wisconsin–Madison*

**ABSTRACT:** Audit planning risk assessments are a key driver of the overall audit process (Christ 1993). Despite the importance of the risk assessment, Public Company Accounting Oversight Board (PCAOB) inspection reports consistently note audit deficiencies related to assessing and responding to risk of material misstatement as one of the more common deficiencies between 2015 and 2017 inspection cycles (e.g., PCAOB 2017). In this study, I explore whether goal-directed information processing helps auditors overcome information overload when making planning decisions. This approach to information processing is useful in an audit planning setting because it reduces cognitive interference by directing auditors to focus on a goal to govern the flow of information. I also explore whether and how auditors' cognitive flexibility affects the way they assess risk. Cognitive flexibility measures an individuals' ability to adapt and shift cognitive processing strategies when facing a new environment. I use experimental research methods to investigate the interactive effects of goal-directed information processing and cognitive flexibility on auditors' ability to assess and respond to risk. My preliminary results suggest that cognitive flexibility is valuable to auditors when they assess risk, but only in the context of goal-directed information processing. For example, auditors with high cognitive flexibility who receive guidance from their manager specifying how to process information make more accurate risk assessments compared to high cognitive flexibility auditors who do not receive such guidance.

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