



2014 Lifetime Contribution to Management Accounting Award Winner - Stan Baiman

Professor Stanley Baiman Receives 2014 Lifetime Contribution to Management Accounting Award

Stanley Baiman, William H. Lawrence Emeritus Professor at the Wharton School, University of Pennsylvania, and Adjunct Professor at Bocconi University in Milan, Italy, is among the most influential contributors to the field of management accounting. Whereas his work and its reach have been both deep and broad, there are three strands in his work over the last 30 years across his c. 30 articles in major journals.

In the 1980s, Professor Baiman was pivotal in jump-starting the literature on agency problems in accounting, with Demski, the 2011 winner of this Lifetime Contribution Award. Stan was a pioneer with agency theory in accounting, which became an important research framework in management accounting since its "invention" in the late 1970s. Stan's early work led us to rethink how classic managerial accounting ideas like variance investigation and responsibility accounting are impacted when used to measure and evaluate managerial performance.

In the mid-90s, Stan and his coauthors made important progress on organizational design and multiagent contracting problems. The interplay of contracting and organizational design is at the heart of management accounting. Particularly of note here is the paper "On the Usefulness of Discretionary Bonus Schemes" (The Accounting Review 1994) where the ingenious solution of a "budget balancer" was introduced in the setting of a bonus pool with multiple agents. This paper triggered significant follow-up work to the present and has been key in explaining the ubiquity of bonus pools in practice.

In the early-2000s, Stan's research focus shifted to examining management accounting issues in interfirm contracting problems such as in supply chains. Much of this work adopts an "incomplete contracting" logic where contracts are too complex and too dynamic to be completely specified in advance. His survey article in this area, "Incentive Issues in Inter-Firm Relationships" (Accounting, Organizations & Society 2002), describes this in sufficient detail to help new researchers in the area, but is intuitive enough to be readable by consumers, and not just the producers, of this style of research.

Professor Baiman has written a number of influential surveys, which have become essential reading for Ph.D. students and researchers throughout the world in accounting as well as adjacent fields. His survey articles "Agency Research in Managerial Accounting" (Journal of Accounting Literature 1982) and "Agency Research in

Managerial Accounting: A Second Look" (Accounting, Organizations & Society 1990) were not only invaluable to agency researchers, but also made the field accessible to non-agency (and non-analytical) researchers.

A distinguishing feature of Professor Baiman is eclecticism. Although Stan is probably best known for analytical modeling, he has also used empirical-archival and other methods, and has addressed, as summarized above, issues ranging from variance analysis to performance measurement to inter-firm incentives. Stan's breadth of interests and ability to apply multiple research methods have inarguably contributed to his considerable influence in the field of management accounting research.

In addition to his contributions as a researcher, Stan has contributed extensively to the field of accounting in his capacity as a reviewer and editor, having served on the editorial boards of Accounting, Organizations & Society, The Accounting Review, Journal of Accounting & Economics, Journal of Accounting Research, and Review of Accounting Studies (where most recently he was Managing Editor).

Stan has also taught in the doctoral programs at several major universities and supervised a number of students who became successful academics. Stan travels extensively, actively fostering interaction and development and prominence of the field across continents. Colleagues speak fondly of Stan as their department chair, mentioning his patience and his constructive approach to help bring out the best in people and their work.

Professor Baiman's work over the course of his career as a true scholar, as a referee and editor, as a supervisor, as a department chair, and as a colleague has been truly exceptional and generous, in its meaning of both substantial and altruistic, and so he is without a doubt richly deserving of this award — The 2014 American Accounting Association's Management Accounting Section Lifetime Contribution to Management Accounting Award.

Let me please gratefully acknowledge the generous support of this Award by the AICPA.