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## **Accounting and Finance Annual Report 2009**

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**TURUN KAUPPAKORKEAKOULU**  
Turku School of Economics

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## 1 REVIEW BY THE HEAD OF THE DEPARTMENT

While the year 2009 was in some sense just a year like business-as-usual, partly formally visibly, partly behind the scenes, there was a huge underlying project of getting the Turku School of Economics and the University of Turku ready for the merger taking place on 1 January 2010. This fact flavoured also the activities of the Department of Accounting and Finance. For instance, at the end of the year the decision was made to enlarge the department by two new disciplines, namely Business Law and Quantitative Methods in Management in the beginning of 2010. The Department also continued its efforts to further develop finance education and research at the School.

As far as research was concerned, scholars of the Department continued their efforts to conduct accounting and finance research of high international quality. Just as examples of such endeavours, the project “Innovation, competitiveness and the roles of management control systems”, funded by the Academy of Finland and led by Professor Markus Granlund, continued in co-operation with researchers of the Copenhagen Business School. Projects led by Professor Hannu Schädewitz that also continued included “Are US GAAP and IFRS in Harmony?” (funded by the OP Group Research Foundation) and “Social responsibility as a value factor for companies in a global economy” (funded by the Academy of Finland).

The faculty of the Department worked in international scientific organisations in many different ways, the most significant being the European Accounting Association (EAA), the American Accounting Association (AAA), and the European Institute for Advanced Studies in Management (EIASM). They also worked for international research journals at their editorial boards, as reviewers, and as authors of articles. Professor Kari Lukka continued his duties as the Chair of the Publication Committees of both the EAA and the Management Accounting Section of the AAA. Professor Granlund continued as an Associate Editor of the European Accounting Review. Professor Lukka organised and chaired an EDEN doctoral seminar on “Case-based research in management accounting” within the EDEN program of the EIASM.

Typical of the department’s activities, several international academic visits were paid to it also in 2009. The visitors formed a good and interesting mixture of more senior scholars – such as professors Ken Merchant (USC, Marshall Business School, USA), Jan Mouritsen (Copenhagen Business School, Denmark) and Sven Modell (Manchester Business School as well as Associate professor Frederick

Lindhahl (George Washington University, USA) and Dr. John Broussard (Rutgers University, USA) – and somewhat more junior ones – like Dr. Olivier Ratle (Bristol Business School, UK), Dr. Allan Hansen (Copenhagen Business School) as well as doctoral students Niels Sandalgaard (Aalborg University) and Silvana Revellino (Copenhagen Business School). Professor Lukka visited the George Washington University and Dr. Hanna Silvola London School of Economics and Political Science during 2009.

The Department of Accounting and Finance also worked actively on a national level, for instance by organising a considerable number of departmental research seminars. The interdisciplinary scientific discussion group of the Turku School of Economics, coordinated by Dr. Vesa Partanen, assembled about once a month, and so did the management accounting discussion group, coordinated by Dr. Erkki Vuorenmaa. The Department also engaged in much cooperation with the business community. This included intensive collaboration with several companies related to ongoing field research projects as well as in teaching with both KPMG and PwC and cooperation in the field of risk management with the OP-Pohjola Group. Collaboration with Tofuture Oy continued in the teaching and research of the reporting of social responsibility.

Several members of the faculty of the Department worked actively in different management and working groups of the University of Turku and Turku School of Economics consortium. Professor Granlund acted as a member of the consortium's management group and was also a member of the management committee of the Turku Institute for Advanced Studies (TIAS). Professor Lukka was a member of the consortium's steering group of research evaluation. In addition, he was a member of the steering group developing and formulating the new strategy for the University of Turku, chaired by Rector Keijo Virtanen.

It is my pleasure to warmly thank the entire personnel of the Department for its productive contributions during 2009.

Kari Lukka

Professor. Head of Department

## 2 STAFF PROFILES

### **Kari LUKKA**

Professor, Ph.D. (Econ. & Bus. Adm.), Head of Department



*Kari's research interests as well as his international publication record cover a wide range of management accounting as well as accounting theory and methodology topics. His teaching focuses on management accounting, but he also gives a course on research methodology for doctoral students. Kari is actively involved in the executive MBA program of the School. He is currently the Chair of the Publications Committee of both European Accounting Association and the Management Accounting Section of the American Accounting Association. He also is a Professor at the EIASM. In that context, he organizes and chairs, jointly with Prof. Michael Shields, the biannual conference on "New directions in management accounting", and is the coordinating faculty member of the EDEN doctoral course on "Case-based research in management accounting". He is a member of the Board of the European Accounting Association. In addition to being a member of the central decision-making organs of TSE (e.g. the Board), in recent years Kari has been actively involved in the strategy development and implementation processes going on at the School and during 2009 also regarding the University of Turku.*

### **Hannu SCHADÉWITZ**

Professor, Ph.D. (Econ. & Bus. Adm.), Vice-Head of Department



*Hannu's research interests cover: discretionary corporate reporting, international accounting, corporate governance (especially State ownership steering), and role of information intermediaries (especially analysts). His main interest currently is to analyze how the recent integration of new members into the European Union affects financial reporting transparency in those countries. Also the role of international legal systems on accounting quality is currently focused. Teaching areas cover: financial accounting and empirical corporate finance. Hannu also supervises Master's and Doctoral thesis work.*

### **Markus GRANLUND**

Professor, D.Sc. (Econ. & Bus. Adm.), Vice-Rector (Research and doctoral studies)



*Markus' research interests cover a wide range of technical and behavioral issues in management accounting and information systems. His main interests currently concern the relationships between management control, uncertainty and innovativeness, the*

*interface of modern IT and management control, the different applications of the Balanced Scorecard, and the nature and content of management accounting theory. Markus gives courses on advanced strategic management accounting, advanced management control systems, and recent developments in management accounting practice. He also supervises Master's and Doctoral thesis work. Markus is also an active lecturer in several executive training programs.*

**Mika VAIHEKOSKI**

Acting Professor, Ph.D. (Econ. & Bus. Adm.)



*Mika's research interests cover questions related to asset pricing, emerging markets, historical development of financial markets, and the effects of ownership on companies' actions. His main interest currently is the financial management and internal controls in the OMX listed firms. Teaching areas cover several courses in finance (corporate, asset pricing, portfolio theory and portfolio management). Mika also supervises Master's and Doctoral theses.*

**Asta MANNER**

Senior Lecturer, Lic.Sc. (Econ. & Bus. Adm.) (on leave from August 2008)



*Asta is responsible for the introductory teaching in financial accounting. Her main areas of interest are financial accounting, taxation and financial reporting. She also supervises students' research work and is interested in new teaching methods and uses those methods in her everyday teaching.*

**Matti NIINIKOSKI**

Lecturer, M.Sc. (Econ. & Bus. Adm.)



*Matti is responsible for the introductory courses in financial accounting. He also supervises students' research work.*

**Ulla-Maarit VALVE**

Senior Lecturer, Lic.Sc. (Econ. & Bus. Adm.)



*Ulla-Maarit is teaching financial accounting. Her main areas of interest are financial accounting and taxation. She also supervises students' research work.*



**Tuula-Marja VILJA**

Senior Lecturer, M.Sc. (Econ. & Bus. Adm.)



*Tuula is responsible for the introductory courses in cost accounting and management accounting. She also supervises students' research work. Tuula's main research interests include management accounting issues, accounting methodology and philosophy. She is also an active lecturer in several executive training programs.*

**Minna VÄHÄSALO**

Lecturer, M.Sc. (Econ. & Bus. Adm.)



Minna is teaching cost accounting and management accounting.

**Antti FREDRIKSSON**

Acting Researcher (until August 2009), Senior Research Associate, M.Sc. (Econ. & Bus. Adm.)



*Antti's research interest is in the area of banking and corporate finance. The Ph.D. is about the analysis of accounting conservatism in relationship banking. The purpose of the study is to analyze the firm's contractual obligations as the interplay between lender and borrower to investigate whether the benefits of conservative reporting are emphasized in relationship banking.*

**Ulla-Maija LAKKA**

Acting Senior Research Associate, M.Sc. (Econ. & Bus. Adm.)



*Ulla-Maija's research interests are in the area of management accounting. She is currently completing her Ph.D. thesis under the title "The dynamics of management control package – The new CEO intervention". Ulla-Maija gives a course concerning qualitative research methods and teaches cases of management accounting problems. She also co-supervises Master's thesis work and teaches the course "Business and Teamwork" for first-year students. Previously she has also given lectures on cost accounting in English.*

### **Vesa PARTANEN**

Assistant Professor (until August 2009), Acting Researcher, Ph.D. (Econ. & Bus. Adm.) (from August until December 2009)



*Vesa's research interests are in the area of management accounting and organizational change. His research interests include knowledge management, organizational learning and competence development in accounting and various accounting innovations and their implications in organizations. In particular, Vesa's research address to the purposes management accounting techniques (like balanced scorecard, strategic management accounting, target costing etc.) serve in organizational knowledge creation and what are the organizational consequences of their use. He gives courses concerning management control, cases of management accounting problems and intellectual capital management. He also supervises Master's thesis work and is an active lecturer in several executive training programs.*

### **Hanna SILVOLA**

Assistant Professor, Ph.D. (Econ. & Bus. Adm.) (from August 2009)



*Hannas' research interests cover a wide range of strategic management accounting and control issues including, for example, cost accounting, accounting information systems and advanced management control systems. Many of her research projects are related to high technology, R&D investments, start-ups and innovations. Her research projects cover both contingency based survey research and qualitative methods. Hanna teaches courses "Cost Management" in English, "Accounting and Organizational Control" for third-year students and the course "Business and Teamwork" for first-year students. She also supervises Master's thesis work and thesis in TSE executive training program.*

### **Eija VINNARI**

Postdoctoral Researcher, D.Sc. (Technology) (from July 2009) (on maternity leave July 2009-January 2010)



*Eija's research interests include questions related to public sector accounting systems and arrangements, with special reference to public infrastructure services, as well as the application of sociological theories in accounting research. She teaches a course on public sector accounting and also supervises BSc theses.*

### **Erkki VUORENMAA**

Assistant Professor, Ph.D. (Econ. & Bus. Adm.)



Erkki's research interests include management control, trust and corporate integration. He gives a course concerning qualitative research methods, mergers and acquisitions, and capital budgeting. He also supervises Master's and Doctoral theses. He is also a lecturer in executive training program.

### **Hanna KARLSSON**

Research Associate, M.Sc. (Econ. & Bus. Adm.)



*Hanna's research interests are in the area of formal and informal feedback and control in management accounting as well as sociological theories and qualitative research methods. She is currently working on her Ph.D. thesis. She also supervises students' bachelor's theses and master's theses and coordinates and teaches the course "Business and Teamwork" for first-year students. Along with these, she reads for a pedagogy degree at Turku University Department of Education.*

### **Mikko KEPSU**

Acting Senior Research Associate (until August 2009), Research Associate, M.Sc. (Econ. & Bus. Adm.)



*Kepsu's research interests are in the area of finance and financial accounting. He is currently working on his Ph.D. thesis under the title "Earnings management in the process of preparing corporate financial reports". Teaching areas cover courses in finance. Kepsu also supervises Master's theses and is a lecturer in executive training program.*

### **Juuso LINDEQVIST**

Acting Research Associate, M.Sc. (Econ. & Bus. Adm.)



*Juuso's research interests are in the area of management accounting. He is currently working on his Ph.D. thesis under the title "Strategic management control of expert organizations". Juuso gives lectures on cost management in English, teaches cost accounting for first-year students and exercises of the course "Accounting information systems". He also co-supervises students' master's theses.*

**Antti PITKÄNEN**

Research Associate, M.Sc. (Econ. & Bus. Adm.) (on leave from January 2009)



*Antti's research interests are in the area of intellectual capital. He is currently working on his Ph.D. thesis "Factors explaining firms' intellectual capital and their effect on performance". Antti teaches cost accounting for first-year students and co-supervises students' master's theses.*

**Leena HENDERSON**

Departmental Coordinator, M.Ed. (on leave from April 2007)



**Riina KARSKELA**

Acting Departmental Coordinator, M.Sc. (Soc. Sci)



*Riina deals with general-, staff- and educational tasks in the department. Riina is also secretary of the Board of the Department.*

**Ilona KARKULEHTO**

Acting Educational and Research Secretary



*Ilona takes care of all kinds of financial and educational administrative tasks in the department.*

**Janne MUSTONEN**

Acting Research Associate

**Samuli KAAPPOLA**

Research Assistant

**Joona RAUHAMÄKI**

Research Assistant

**Juhani LASSILA**

Trainee, Research Assistant

### 3 RESEARCH ACTIVITIES

#### 3.1 Publications 2005–2009

##### 3.1.1 Articles in Refereed International Journals or Books

Ahrens, T. – Becker, A. – Burns, J. – Chapman, C. – Granlund, M. – Habersam, M. – Hansen, A. – Khalif, R. – Malmi, T. – Mennicken, A. – Mikes, A. – Panozzo, F. – Piber, M. – Quattrone, P. – Scheytt, T. (2008) The future of interpretive accounting research – A polyphonic debate. *Critical Perspectives on Accounting*, 19:6, 840–866.

Dechow, N. – Granlund, M. – Mouritsen, J. (2006) Management control of the complex organization: Relationships between management accounting and information technology. In C. Chapman – A. Hopwood – M. Shields (Eds.) *Handbook of Management Accounting Research*, Vol. II, Elsevier (Chapter 7).

Dechow, N. – Granlund, M. – Mouritsen, J. (2007) Interactions between modern information technology and management control. In T. Hopper – D. Northcott – R.W. Scapens (Eds.) *Issues in Management Accounting*, 3<sup>rd</sup> Edition, Prentice Hall (Chapter 3).

Fedorova, E. – Vaihekoski, M. (2009) Global and local sources of risk in Eastern European emerging stock markets. *Czech Journal of Economics and Finance*, 59:1, 2-19.

Granlund, M. – Modell, S. (2005) Nordic contributions to the management accounting change literature. In S. Jönsson – J. Mouritsen (Eds.) *Accounting in Scandinavia – The Northern Lights*, Liber, 159–192.

Granlund, M. – Taipaleenmäki, J. (2005) Management control and controllership in new economy firms: A life-cycle perspective. *Management Accounting Research*, 16:1, 21–57.

Grönlund, T. – Louko, A. – Vaihekoski, M. (2008) Corporate Real Estate Sale and Leaseback Effect: Empirical Evidence from Europe. *European Financial Management*, 14:4, 820–843.

- Jönsson, S. – Lukka, K. (2006) There and back again. Doing interventionist research in management accounting. In C. Chapman – A. Hopwood – M. Shields (Eds.) *Handbook of Management Accounting Research*, Vol. II, Elsevier, 373–397.
- Kahra, H. A. – Kanto, A. J. – Schadéwitz, H. J. – Blevins, D. R. (2006). Anatomy of interim disclosures during bimodal return distributions. *The European Journal of Finance*, 12:1, 61–75.
- Kakkuri-Knuuttila M.-L. – Lukka, K. – Kuorikoski, J. (2008) Straddling between paradigms: A naturalistic philosophical case study on interpretive research in management accounting. *Accounting, Organizations and Society*, 33:2/3, 267–291.
- Kakkuri-Knuuttila, M.-L. – Lukka, K. – Kuorikoski, J. (2008) No premature closures of debates, please: A response to Ahrens. *Accounting, Organizations and Society*, 33:2/3, 298–301.
- Liljeblom, E. – Vaihekoski, M. (2009) Corporate ownership and managerial short-termism: Results from a Finnish study of management perceptions. *International Journal of Production Economics*, 117: 2, 427–438.
- Lukka, K. (2005) Approaches to case research in management accounting: The nature of empirical intervention and theory linkage. In Jönsson, S. – Mouritsen, J. (eds.) *Accounting in Scandinavia – The Northern Lights*, Liber, 375–399.
- Lukka, K. (2007) Accounting Theory. Essays by Carl Thomas Devine. Book review on Hendriksen H. S. – Williams, P. F. (eds.) *European Accounting Review*, 16:3, 655–659.
- Lukka, K. (2007) Management Accounting Change and Stability: Loosely Coupled Rules and Routines in Action. *Management Accounting Research*, 18:1, 76–101.
- Malmi, T – Granlund, M. (2009) In search of management accounting theory. *European Accounting Review*, 18:3, 597–620.
- Malmi, T – Granlund, M. (2009) Agreeing on problems, where are the solutions? A reply to Quattrone. *European Accounting Review*, 18:3, 631–639.
- Schadéwitz, H. J. – Kanto, A. J. – Kahra, H. A. – Blevins, D. R. (2005) Post-announcement drift in an emerging market. *International Journal of Accounting, Auditing and Performance Evaluation*, 2:1/2, 168–185.

- Schadewitz, H. J. (2009) Financial and nonfinancial information in interim reports. Lambert Academic Publishing (reprinted Doctoral Dissertation).
- Tuomela, T.-S. (2005) The interplay of different levers of control: A case study of introducing a new performance measurement system. *Management Accounting Research*, 16:3, 293–320.
- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. *Applied Financial Economics*, 19:19, 1547-1557.
- Vieru, M. – Perttunen, J. – Schadewitz, H. (2006). How investors trade around interim earnings announcements. *Journal of Business Finance & Accounting*, 33:1/2, 145–178.

### 3.1.2 Articles in Finnish Journals

- Fredriksson, A. (2005) Lainan erityisehdot eli kovenantit IAS/IFRS-tilinpäätökseen siirryttäessä. *Tilintarkastus-Revision* 3/2005: 72–75.
- Fredriksson, A. (2007) Tilinpäätösraportoinnin laatu ja sen merkitys pankkisuhteissa. *Tilintarkastus - Revision* 2/2007: 30–33.
- Granlund, M. - Lukka, K. (2009) Uncertainty and the control of the drug discovery and development process. *Dosis*, 25:1, 49-55.
- Partanen, V. (2005) Taloushallinnon palvelujen tuottaminen palvelukeskusmallissa. *Tilisanomat* 4/2005: 46–49.
- Partanen, V. (2005) Kilpailijaseurannan tehokas toteuttaminen. *Yritystalous* 5/2005: 75–79.
- Partanen, V. (2005) Strategiakartan merkitys suorituksen mittauksen kehittämisessä. *Yritystalous* 4/2005: 59–65.
- Partanen, V. (2007) Vaikuttava talousviestintä johtamisen tukena. *Tilisanomat* 3/2007: 50–53.



Partanen, V. (2007) Talousviestintä johtamisen tukena. *Yritystalous WalkAbout*, 4/2007: 50–53.

### 3.1.3 Publications in the Series of the Turku School of Economics

Granlund, M. (2007) Tietoteknisen kehityksen vaikutus johdon laskentatoimen informaation tuottamiseen: havaintoja käytännöistä ja tutkimuksesta. Teoksessa R. Suomi – H. Salmela – M. Ruohonen (toim.) *Tutkijasta johtajaksi – Näkökulmia akateemiseen ja liike-elämän johtamiseen*. Publications of the Turku School of Economics, Series C-2:2007.

Granlund, M. (2007) Total Quality in Academic Accounting – Essays in honour of Kari Lukka. Publications of the Turku School of Economics, Series C-3:2007.

Granlund, M. (2009) On the interface between accounting and modern information technology. Publications of the Turku School of Economics, Series A-13:2009

Lukka, K. (2006) Kuinka käytännönläheinen kauppakorkeakoulun tulisi olla? Kirjassa Paalumäki, A. (toim.) *Tieteestä ulospäin. Puheenvuoroja kauppatieteellisen tiedon merkityksestä yhteiskunnassa*. Publications of the Turku School of Economics, Series C-1:2006, 60–64.

Lukka, K. (2007) Kansainvälisyyden monet kasvot. Teoksessa Suomi, R. – Salmela H. – Ruohonen, M. (toim.) (2007) *Tutkijasta johtajaksi. Näkökulmia akateemiseen ja liike-elämän johtamiseen*. Publications of the Turku School of Economics, Series C-2:2007, 213–219.

Lukka, K. (2008) Antti Paasio – luova innovaattori ja sanataiteilija. Teoksessa Malinen, P. & Paasio, K. (toim.) *Work in Progress. ”Tiistaiamu 2.9.1986, klo 8:15. Satoi vettä ja olin yksin...”*. Publications of the Turku School of Economics, Series C-1:2008, 63–67.

Malmi, T. – Granlund, M. (2007) How to proceed in building management accounting theory? In M. Granlund (ed.), *Total Quality in Academic Accounting – Essays in honour of Kari Lukka*. Publications of the Turku School of Economics, Series C-3:2007.

Manner, A. (toim.) (2006) *Kehitystrendejä tilinpäätösmaailmassa*. Publications of the Turku School of Economics, Series B-1:2006.

Määttä, S. (2005) Strategian ja strategisen informaation tulkintahorisontteja. Case Valtiovarainministeriö. Publications of the Turku School of Economics, Series A-2:2005.

Partanen, V. (2007) Theoretical reasoning in the grounded theory approach, In Markus Granlund (ed.) Total quality in academic accounting, Publication of Turku School of Economics, Series C-3:2007, 225–248.

Schadewitz, H. - Perera, H. (2007) Accounting and corporate governance: an investigation into the associated issues in Baltic countries. In M. Granlund (ed.), Total quality in academic accounting – Essays in honour of Kari Lukka Publications of the Turku School of Economics, Series C-3:2007, 249–266.

### 3.1.4 Other Publications

Ding, Y. – Hope, O.-K. – Schadéwitz, H. (2007) Financial transparency in Nordic and Baltic regions. In P. Vahtra – E. Pelto (Eds), The future competitiveness of the EU and its Eastern neighbours – Proceedings book of the conference (ISBN 978-951-564-406-0), p. 207–230. Esa Print: Tampere.

Fedorova, E. – Vaihekoski, M. (2008) Global and local sources of risk in Eastern European emerging stock markets. The Bank of Finland Institute for Economies in Transition (BOFIT), BOFIT Discussion Papers 27/2008. 32 pages.

Fredriksson, A. (2005) Hankintameno. Teoksessa: Antti Fredriksson et al. Uudistunut kirjanpitolaki. Talentum: Helsinki.

Granlund, M. – Sundin, H. – Brown, D. (2007) Multiple objectives, management control systems, and the balanced scorecard: An exploratory case study. University of Technology Sydney, School of Accounting Working Paper Series, 80:2007.

Järvenpää, M. – Partanen, V. – Tuomela, T.-S. (2005) *Moderni taloushallinto – haasteet ja mahdollisuudet* (Modern Controllershship: Challenges and Opportunities), EDITA. 3<sup>rd</sup> edition. 359 pages.

Järvenpää, M. – Partanen, V. – Tuomela, T.-S. (2007) *Moderni taloushallinto – haasteet ja mahdollisuudet* (Modern Controllershship: Challenges and Opportunities), EDITA. 4<sup>th</sup> edition. 359 pages.

- Kepsu, M. – Schadewitz, H. – Vieru, M. (2008) Performance of analysts' earnings forecasting - evidence from Finnish emerging markets 1987-2005. Discussion paper series of The Research Institute of the Finnish Economy (ETLA), No. 1160.
- Lukka, K. (2005) Editorial. *European Accounting Review*, 14:1, 1–2.
- Lukka, K. (2005) Editorial. *European Accounting Review*, 14:2, 2005, 259.
- Lukka, K. (2005) Editorial. *European Accounting Review*, 14:4, 675–676.
- Lukka, K. – Jönsson, S. (2005) Doing interventionist research in management accounting. University of Gothenburg, GRI-rapport No. 2005:6.
- Lukka, K. (2006) Konstruktiivinen tutkimusote: luonne, prosessi ja arviointi. Kirjassa Rolin, K. – Kakkuri-Knuuttila, M.-L. – Henttonen, E. (toim.)(2006) *Soveltava yhteiskuntatiede ja filosofia*, p. 111–133. Gaudeanus.
- Lukka, K. (2006) Interventionist research. *Financial Management*, November 2006. ISSN (printed): 1471-9185, p. 36.
- Nyberg, P. – Vaihekoski, M. (2009) A new value-weighted total return index for the Finnish stock market. Bank of Finland, Discussion Papers Series, 2009, No. 21.
- Nyberg, P. – Vaihekoski, M. (2009) A new value-weighted total return index for the Finnish stock market. In Nyberg, Peter: *Essays on Risk and Return*. Helsinki: Hanken School of Economics, Publications of the Hanken School of Economics, No 198.
- Partanen, V. (2007) *Talousviestintä johtamisen tukena*.
- Saleem, K. - Vaihekoski, M. (2009) Time-varying global and local sources of risk in Russian stock market. In Saleem, Kashif: *Essays on Pricing of Risk and International Linkage of Russian Stock Market*. Acta Universitatis Lappeenrantaensis 343. Lappeenranta: Lappeenranta University of Technology
- Schadéwitz, H. J. (2006). Accounting in Scandinavian – The Northern Lights. (book by Jönsson, S. – Mouritsen, J. (eds.), (2005). Kristianstad: Liber & Copenhagen Business School Press). A book review for the *Scandinavian Journal of Management*, 22:2, 180–182.

Schadéwitz, H. (2009) *International Accounting* (1st Edition). (book by Doupnik, T. S. & Perera, H. B., (2007). Boston: McGraw-Hill/Irwin). A book review for the *European Accounting Review*, 18:1, 177-179.

Vaihekoski, M. (2008) History of finance research and education in Finland: the first thirty years. Bank of Finland, Discussion Papers Series, 2008, No. 18.

Vieru, M. – Perttunen, J. – Schadéwitz, H. (2005). Impact of investors' trading activity to post-earnings-announcement drift. In *Contributions to Accounting, Finance, and Management Science. Essays in Honor of Professor Timo Salmi*. Acta Wasaensia, p. 373–401. Vaasa: Vaasan yliopistopaino.

Vieru, M. – Schadéwitz, H. (2007) Use of interim earnings information on the Helsinki Stock Exchange. In T. Rothovius – J. Nikkinen (Eds), *Contributions to Accounting and Finance – Essays in Honour of Professor Paavo Yli-Olli*, Acta Wasaensia, No. 173 (ISBN 978-952-476-180-2), p. 331–350. Yliopistopaino: Vaasa.

### 3.1.5 Conference Presentations

Ahrens, T. – Becker, A. – Burns, J. – Chapman, C. – Granlund, M. – Habersam, M. – Hansen, A. – Khalif, R. – Malmi, T. – Mennicken, A. – Mikes, A. – Panozzo, F. – Piber, M. – Quattrone, P. – Scheytt, T. (2006) The future of interpretive accounting research – A polyphonic debate. *Paper presented at the 29<sup>th</sup> Annual Congress of the European Accounting Association*, Dublin, Ireland.

Antell, J. – Vaihekoski, M. (2005) International Asset Pricing Models and Currency Risk: Evidence from Finland 1970-2004. 14th Annual Conference of the European Financial Management Association (EFMA) 2005, Milan.

Antell, J. – Vaihekoski, M. (2008) Pricing of Currency Risk in Stock Markets. Empirical Evidence from Sweden and Finland. Midwest Finance Association (MFA) 2008 Conference, San Antonio, TX, USA.

Antell, J. – Vaihekoski, M. (2008) Pricing of Currency Risk in Stock Markets. Empirical Evidence from Sweden and Finland. Financial Management Association (FMA) 2008 European Conference, Prague, Czech Republic.

Ding, Y. – Hope, O.-K. – Schadéwitz, H.J. (2006). Country effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *In*

*Programme and collected abstracts of the 29<sup>th</sup> Annual Congress of the EAA, Dublin, Ireland.*

Ding, Y. – Hope, O.-K. – Schädewitz, H.J. (2006). Region effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *Paper presented at the EIASM workshop on Financial Market Development in the Central and Eastern European Countries, Prague, Czech Republic.*

Ding, Y. – Hope, O.-K. – Schädewitz, H.J. (2006). Region effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *4<sup>th</sup> INFINITI Conference on International Finance, Trinity College Dublin, Ireland.*

Fredriksson, A. (2007) The Effect of Relationship Intensity and Value on Loan Pricing. *Proceedings in 20<sup>th</sup> Australasian Banking and Finance Conference.*

Fredriksson, A. (2009) The Effect of Relationship Intensity and Reporting Conservatism on Loan Pricing and Relationship Value. *Proceedings in 21st Asian-Pacific Conference on International Accounting Issues*

Granlund, M. (2007) On the interface between management accounting and modern information technology. *The 30<sup>th</sup> Annual Congress of the European Accounting Association, Lisbon, April 25–27, 2007.*

Granlund, M. (2007) Plenary speech: Research opportunities in the interface between management control and modern IT. *8<sup>th</sup> International Research Symposium on Accounting Information Systems, Montreal, December 8–9, 2007.*

Granlund, M. (2008) Balancing multiple competing objectives with a Balanced Scorecard. *Research seminar presentation at Groupe HEC, France, December 5, 2008.*

Kahra, H. A. – Schädewitz, H. J. – Blevins, D. R. (2005). Chasing trends down Wall Street. *14<sup>th</sup> Annual Conference of the European Financial Management Association, Milan, Italy, June 29 – July 2, 2005.*

Karlsson, H. (2007) Formal and informal feedback in the balanced scorecard environment. *Research seminar presentation at the EDEN doctoral seminar on case-based research in management accounting, Brussels, Belgium, 11 April 2007.*

- Karlsson, H. (2008) The forms and roles of formal and informal feedback in management accounting. Research seminar presentation at the *4<sup>th</sup> doctoral summer school in management accounting*, Siena, Italy, 20-23 July 2008.
- Karlsson, H. – Lukka, K. (2009) The power of formal and informal feedback in management accounting: a case study with Bourdieu's practice theory. Paper presented at the *32<sup>nd</sup> Annual Congress of the European Accounting Association*, Tampere, Finland, 12-15 May 2009.
- Karlsson, H. – Lukka, K. (2009) Formal and informal feedback in management accounting: a case study with Bourdieu's practice theory. Paper presented at the *7<sup>th</sup> Conference of the European Network for Research in Organisational & Accounting change*, Dundee, Scotland, 23-25 June 2009.
- Karlsson, H. – Lukka, K. (2009) Three dimensions for formal and informal feedback in management accounting. Paper presented at the *5<sup>th</sup> Conference on Performance Measurement and Management Control*, Nice, France, September 23-25, 2009.
- Kepsu, M. – Schadéwitz, H. – Vieru, M. (2009) Does State ownership steering help or hinder analysts' forecasting? *In Programme and collected abstracts of the 32nd Annual Congress of the EAA*, Tampere, Finland
- Kepsu, M. – Schadéwitz, H. – Vieru, M. (2009) Does State ownership steering help or hinder analysts' forecasting? 7th International Conference on Accounting, Athens, Greece, July 6-9, 2009.
- Liljeblom, E. – Vaihekoski, M. (2008) Owners' way or the highway: Short-term pressure and owner impatience. 17th Annual Conference of the European Financial Management Association (EFMA) 2008, Athens.
- Lindahl, F. - Schadéwitz, H. (2009). The role of international legal systems on accounting quality. *In Programme and collected abstracts of the 13th Annual Financial Reporting and Business Communication Conference (FRBC)*, Cardiff, UK.
- Lukka, U.-M. (2007) Taking charge via management control system change – the interplay between formal and informal controls. *The 30<sup>th</sup> Annual Congress of the European Accounting Association*, Lisbon, April 25-27, 2007.

- Lukka, K. (2005) Doing interventionist research in management accounting (jointly with Sten Jönsson). *Conference on the “Handbook of Management Accounting Research”*, University of Oxford, Saïd Business School, July 1–2, 2005.
- Lukka, K. (2005) Research School in Accounting on the topics “Approaches to case research in management accounting” and “Publishing internationally in accounting”, University of Technology Sydney, School of Accounting, February 24, 2005.
- Lukka, K. (2005) The Relation of Interpretive Research in Management Accounting to the Subjective/Objective dichotomy: A Naturalistic Philosophical Case Study, University of Technology Sydney, School of Accounting, February 28, 2005.
- Lukka, K. (2005) The Relation of Interpretive Research in Management Accounting to the Subjective/Objective dichotomy: A Naturalistic Philosophical Case Study, University of New South Wales, School of Accounting, March 1, 2005.
- Lukka, K. (2006) Invited speech on “Interventionist research in management accounting”. *CIMA’s R&D Forum*, London, UK, April 5, 2006.
- Lukka, K. (2006) Plenary speech on “Interventionist research in management accounting”. *British Accounting Association, Annual conference*, Portsmouth, UK, April 12, 2006.
- Lukka, K. (2006) How to validate interpretive research in management accounting?. Warwick Business School, November 1, 2006.
- Lukka, K. (2006) How to validate interpretive research in management accounting? University of Oxford, Saïd Business School, November 8, 2006.
- Lukka, K. (2006) Chairman of the 5<sup>th</sup> EIASM Conference on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, December 14-16, 2006.
- Lukka, K. (2007) Europe meets America: Exploring diverse research perspectives. Panel presentation, American Accounting Association, Annual Meeting, Chicago, USA, August 7, 2007.
- Lukka, K. (2008) Validation in interpretive management accounting research. University of Venice, May 27, 2008.

- Lukka, K. (2008) Validation in interpretive management accounting research (jointly with Sven Modell). Manchester Business School, June 10, 2008.
- Lukka, K. (2008) Chairman of the 6<sup>th</sup> EIASM Conference on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, 15-17 December 2008.
- Lukka, K. (2009) Chairman and speaker at the symposium on “The roles and effects of paradigms in accounting research”. 32<sup>th</sup> Annual Congress of the EAA, Tampere, Finland, 13-15 May 2009.
- Lukka, K. (2009) Panelist at the session on ”Active engagement outside accounting research comfort zones”. AAA Annual Meeting, New York, 2-5 August 2009.
- Lukka, K. (2009) Presentation entitled ”True scholarship in the era of publish or perish –mentality” at the seminar on ”The functioning of the academic community”, The University of Turku (COREHES), 12 October 2009.
- Mattila, M. (2005) VaR based model for the measurement of bank’s balance sheet risk: focus on the risk caused by the uncertainty of deposits. Paper presentation at the 18<sup>th</sup> Australasian Finance & Banking Conference, University of New South Wales, Sydney, Australia, December 14–16, 2005.
- Malmi, T. – Granlund, M. (2005) In search of management accounting theory. *Proceedings of the Global Management Accounting Research Symposium*, Sydney, Australia, June 2005.
- Malmi, T. – Granlund, M. (2005) In search of management accounting theory. *Proceedings of the Workshop ‘When management control tools meet reality’*, Aarhus, Denmark, December 2005.
- Malmi, T. – Granlund, M. (2006) In search of management accounting theory. *The 29<sup>th</sup> Annual Congress of the European Accounting Association*, Dublin, March 21–23, 2006.
- Malmi, T. – Granlund, M. (2006) Debating the content and role of management accounting theory. *Proceedings of the Annual Conference of the Accounting and Finance Association of Australia and New Zealand (AFAANZ)*, Wellington, New Zealand, July 2–4, 2006.



- Niskala, M. – Schadewitz, H. (2007) Towards a transformation of corporate responsibility into financial value measures. *Paper presented at the Responsibility business – practice, research and development seminar*, Turku, September 2007.
- Niskala, M. – Schadewitz, H. (2009) Financial value measurement of corporate responsibility. In Mumba, & T. Ketola (Eds), *Responsible Leadership. Proceedings of the Corporate Responsibility Research (CRR) Conference*. University of Vaasa, Finland.
- Nyberg, P. – Vaihekoski, M. (2006) Descriptive Analysis of Finnish Equity, Bond, and Money Markets 1920-2004. 15th Annual Conference of the European Financial Management Association (EFMA) 2006, Madrid.
- Nyberg, P. – Vaihekoski, M. (2009) A new value-weighted index for the Finnish stock market. 18th Annual Conference of the European Financial Management Association (EFMA) 2009, Milan.
- Saleem, K. – Vaihekoski, M. (2009) Time-varying global and local sources of risk in Russian stock market. 16th Annual Conference of the Multinational Finance Society (MFS) 2009, Cyprus.
- Schadewitz, H. J. – Vieru, M. (2005). Finnish evidence of implementation and value relevance of IFRS standards. *Paper presented at the Workshop on Accounting in Europe Beyond 2005*, University of Regensburg, Regensburg, Germany.
- Schadewitz, H. – Ding, Y. – Hope, O.-K. (2008) Effect of accounting regime change on firm-level disclosure. *Abstract In Proceedings of the International Conference on Business Analysis, Accounting, Taxes and Auditing (IBAATA)*, Tallinn, Estonia.
- Schadewitz, H. – Kepsu, M. – Vieru, M. (2008) Impact of State governance on analysts' forecasts - evidence from Finland. *In Programme and collected abstracts of the 31<sup>st</sup> Annual Congress of the EAA*, Rotterdam, the Netherlands.
- Schadewitz, H. - Lindahl, F. (2008) US GAAP and IFRS – How close is “close enough”? *In Programme and collected abstracts of the 31<sup>st</sup> Annual Congress of the EAA*, Rotterdam, the Netherlands.

- Schadewitz, H. – Lindahl, F. (2008) US GAAP and IFRS: how close is “close enough”? *In Programme of the Academy of International Business Annual Meeting* (50<sup>th</sup> anniversary), Milan, Italy.
- Schadewitz, H. – Vieru, M. (2008) Impact of IFRS transition complexity on audit and non-audit service fees: evidence from small and medium-sized listed companies in Finland. *In Programme and collected abstracts of the 31<sup>st</sup> Annual Congress of the EAA*, Rotterdam, the Netherlands.
- Silvola, H. (2009) Creation of management control systems in start-up and growth firms – A field study of high technology firms. *5th Conference on Performance Measurement and Management Control*, Nice, France.
- Sundin, H. – Brown, D. – Granlund, M. (2006) MCS and the Balanced Scorecard’s Role in Managing Multiple Competing Objectives. *Proceedings of the Annual Conference of the Accounting and Finance Association of Australia and New Zealand (AFAANZ)*, Wellington, New Zealand, July 2–4, 2006.
- Sundin, H. – Granlund, M. – Brown, D. (2006) Multiple objectives, management control systems, and the Balanced Scorecard – An exploratory case study. *Proceedings of the 5<sup>th</sup> Conference on New Directions in Management Accounting (EIASM)*, Brussels, December 14–16, 2006.
- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. European Financial Management Association (EFMA) 2006 Conference. Spain, Madrid.
- Vieru, M. J. – Schadéwitz, H. J. (2006). Finnish evidence of implementation and value relevance of IFRS standards. *In Programme and collected abstracts of the 29<sup>th</sup> Annual Congress of the EAA*, Dublin, Ireland.
- Vieru, M. – Perttunen, M. – Schadéwitz, H. (2005). Impact of investors’ trading activity to post-earnings announcement drift. *In Programme and collected abstracts of the 28<sup>th</sup> European Accounting Association Congress*, Göteborg, Sweden, May 18–20, 2005.
- Vieru, M. – Perttunen, J. – Schadéwitz, H. (2005). New evidence on predictability of market responses to earnings announcements in Finland. *14<sup>th</sup> Annual Conference of the European Financial Management Association*, Milan, Italy, June 29–July 2, 2005.

- Vuorenmaa, E. (2005) Trust, Control and International Corporate Integration. *Presented at the 28<sup>th</sup> European Accounting Association Congress*, Gothenburg, Sweden, May 18–20, 2005.
- Vuorenmaa, E. (2007) The development of trust in the trust and control relationship in the organizational context. *Presented at the 4<sup>th</sup> EIASM workshop on trust within and between organizations*, Amsterdam, October 2007.
- Vuorenmaa, E. (2008) Imbalance in trust and control relationships: reasons, outcomes and decision-making problems. *Presented at the 6<sup>th</sup> New Directions of Management Accounting Conference*, Bryssel, December 15-17, 2008.
- Vuorenmaa, E. (2009) Fate as a governance principle: the reasons and outcomes of imbalanced trust and control relationships. *Presented in European Accounting Association Conference* 13-15.5.2009.

### 3.1.6 Doctoral Colloquiums

- Kepsu, M. (2009) Earnings management in the process of preparing corporate financial reports. *Presented at the European Accounting Association (EAA) 25th Doctoral Colloquium in Accounting*, Tampere, Finland, May 10-12, 2009.
- Lakka, U.-M. (2005) Going Upstream – Abandoning and Reinstating Budgets against the Taken for Granted. *Presented at the KPMG European Doctoral Colloquium in Accounting*, Gullholmen, Sweden, May 14–17, 2005.

## 3.2 Research in Progress

### **Antti Fredriksson**

Antti's doctoral thesis in progress deals with analysis of accounting conservatism in relationship banking. The purpose of the study is to analyze the content of firm's contractual obligations as the interplay between lender and borrower to investigate whether the benefits of conservative reporting are emphasized in relationship banking.

### **Markus Granlund**

Based on a review of earlier research and empirical data a study titled "On the interface between management accounting and modern information

technology” suggests that the accounting academia has in general a limited understanding of the current developments in the accounting – information technology (IT) interfaces. This has important implications for as regards what should be studied and how, as well as for the usefulness of knowledge we want to hold out to various stakeholders. The purpose of the study is to critically evaluate the status of research on the interface between accounting and IT. The focus of the paper is on the interface between IT and management accounting/control. The analysis demonstrates beneficial/enabling as well as problematic/constraining effects IT developments have had on accounting and control practice. The study particularly discusses the transforming potential of modern IT vis-à-vis the domains of accounting, the intertwining of integrated IT with accounting and control, and the paradox of IT complexity and its manifestations in the management accounting domain. The analysis gives reason to be concerned about the current state of Accounting Information Systems research in certain respects.

A project entitled "Balancing multiple conflicting objectives with a Balanced Scorecard" with Heidi Sundin and David Brown (University of Technology Sydney) examines the ‘balance’ of the Balanced Scorecard. The issue of achieving multiple objectives, those which represent the interest of various stakeholders, has come to the forefront of the corporate agenda as companies are seen increasingly as more than a source of profit for shareholders, but rather as ‘citizens’ playing a broader role in the society. The study adopts an exploratory case study approach to understand how the BSC is used in the management decision and control processes to assist with the balancing of objectives. The case organization is a state owned electricity company, and provides a unique setting where multiple and equally important strategic objectives exist. The results demonstrate that the BSC has the potential to help making trade-offs and balancing objectives, but there are certain requirements for this to succeed. The paper provides insights into issues of balanced strategic management as it discusses ‘balance’ in terms of both process and outcomes.

Together with Prof. Kari Lukka (TSE), Markus has a research project (financed by the Academy of Finland) currently entitled "Managerial decision making and control under very high uncertainty". This study examines the nature and possibilities of management control in innovative action. Through an exploratory case study of a biotechnology company, the study analyzes particularly the multifaceted concept of uncertainty in the drug development process and its implications for management control. The study extends our current knowledge of the nature and dimensions of the concept of uncertainty

in the management control context, previously mainly approached through aggregated and mechanistic analytical measurements.

Markus has an ongoing research project under the working title “Learning about accounting through information systems” together with Prof. Jan Mouritsen (Copenhagen Business School) and Dr. Niels Dechow (University of Oxford). This project includes three separate but interrelated studies and generally proposes that information systems research and accounting research not only share a good deal of concerns and problems but also help to constitute each other. Illuminating key relations between information systems and accounting research, the project aims to show how developments in IT have been and are constitutive of many management accounting concerns and problems.

### **Hanna Karlsson**

Hanna Karlsson’s doctoral thesis in progress deals with the concept of feedback in management accounting and how it relates to management control. By examining and classifying dimensions of formal and informal feedback it analyses the significance and use of accounting information along with other institutionalized feedback practices of twenty senior and middle managers in a large Finnish metal company.

A related co-article with Kari Lukka titled “Three Dimensions for Formal and Informal Feedback in Management Accounting” is currently being under review in a refereed international journal.

### **Mikko Kepsu**

Kepsu’s doctoral thesis is in progress under the title: “Earnings management in the process of preparing corporate financial reports”. Kepsu uses the case method in his study and he comprehensively analyses earnings management behaviour in the case firm. Generally the study will shed light on how earnings management originates and occurs in practice in the process of preparing corporate financial reports.

For collaboration with Hannu Schadéwitz, see under Hannu Schadéwitz.

### **Ulla-Maija Lakka**

Ulla-Maija’s doctoral thesis in progress is titled “The dynamics of management control package – The new CEO intervention”. The primary focus of this explorative case study is on describing, interpreting and explaining the internal dynamics of management control in a unique

organizational setting of new CEO assuming command. This implies examining the initial conditions predicting CEO intervention and unfolding the processes of deliberate change in the formal and informal management controls.

### **Juuso Lindeqvist**

Juuso's doctoral thesis is in progress under the title "Strategic management control of expert organizations". Through a comparative, qualitative case-study applying the interpretive research approach, the study analyzes different notions of SMC and aims to enhance our understanding of SMC of expert organizations.

### **Kari Lukka**

Kari has a co-project with Vesa Partanen under the working title "Mission impossible? The role of managerial interventions and ideologies in advancing change". This project is a longitudinal case study in a globally operating company focusing on the implementation of a new business model. It centrally explores why some organisational change projects succeed, while many, if not most, of them fail? And what can management do in order to pull organisational change projects off? While this project examines the use and effects of various modes of managerial interventions, its main focus is on exploring the possibilities of an ideology change in an organisation.

A joint research project with the working title "Challenges of conducting interventionist research in management accounting: A reflective analysis" with Petri Suomala and Jouni Lyly-Yrjänäinen (Tampere University of Technology) examines the key features of interventionist management accounting research. The paper is based on a thorough reflection on the longitudinal interventionist case research of Jouni Lyly-Yrjänäinen, which formed his doctoral thesis.

A joint project with Chris Humphrey entitled "(AC)Counting research: The value of qualitative outlook" addresses the issue and consequences for accounting research of a generally growing instrumentalism in academic life. It is a critical reflection on the status and direction of development of the accounting discipline and seeks to demonstrate that ruling current behavior patterns are not inevitable – and that strong and sustainable disciplines demand much more of academics than a crude, managerial reliance on publication quantity counts. What is way more important, the paper argues, is the retention of a qualitative outlook, which combines a thirst for knowledge with a respect for different forms of knowledge and a broad-based awareness

of both the communities of scholars with whom one works/interacts and the managerial and financial commitments necessary to support the development and status of one's chosen discipline.

Kari's joint project with Ken Merchant (USC) and Ranjani Krishnan (MSU), under the working title "The Need for Research Diversity in Management Accounting" takes an issue of the far-reaching narrow-mindedness of current management accounting research, which peaks in the North American accounting research community, but risks to be gradually spreading globally. The paper will describe the condition, explore its root causes and likely consequences, and outline potential ways out.

Kari also has co-projects with Markus Granlund, Hanna Karlsson, Hanna Silvola, and Eija Vinnari, which are presented in the respective sections of those faculty members of the Department.

### **Vesa Partanen**

Vesa has an ongoing research project dealing with the connection between management accounting and organizational learning. The main topic of the study is to analyze the role and significance of management accounting and its change in enhancing organizational learning. The project task also is to analyze the nature and dynamics of the various organizational learning processes in the light of organizational culture.

Another research project together with Marko Järvenpää (University of Jyväskylä), deals with changes in management accounting in an organizational context. This study analyses factors leading to the process of change, the process itself and its impact on organizational operations.

Vesa is currently also involved in some joint research projects with Tero-Seppo Tuomela and Kari Lukka. Together with Tero-Seppo, Vesa studies the development of competencies in the finance department. Together with Kari, Vesa studies innovative business model implementation and how expert systems are involved in these processes.

### **Hannu Schadéwitz**

Hannu has a co-project with Yuan Ding (China Europe International Business School (CEIBS), Shanghai) and Ole-Kristian Hope (Rotman School of Management, Toronto) focusing on financial disclosure practices of firms from the Baltic states of Estonia, Latvia, and Lithuania. Using two distinct measures of disclosure, this paper assesses the differences in disclosure

practices between Baltic firms and a matched sample of firms from the Nordic region (Denmark, Finland, and Sweden). It further investigates the economic consequences of variations in disclosure in these two regions.

Another joint project of Hannu is with Frederick Lindahl (George Washington University) on international accounting standards. In this study we use a sample of EU firms that are also listed in the USA. These firms report their earnings under both IFRS and GAAP. We analyze how closely the standards are aligned at present. We see that large differences remain.

Jointly with Frederick Lindahl, Hannu studies the role of international legal systems on accounting quality. A bedrock assumption in financial accounting research studying the quality of accounting in different countries is that common law provides a firmer foundation for good accounting transparency than does civil law. We analyze the design and development of research that use law in accounting studies. We conclude that the use of the civil/common distinction cannot be fully supported.

Jointly with Markku Vieru (University of Lapland), Hannu studies implementation and valuation impacts of transition to International Financial Reporting Standards (IFRS) using sample of Finnish first-time IFRS adopters. This study focuses on the value relevance and market responses of mandatory transition to IFRS using samples of Finnish first-time IFRS adopters. The Finnish data is used since prior research findings suggest large differences between Finnish accounting standards (FAS) and IFRS. Some evidence of value relevance is found in IFRS adjustments on earnings but not with IFRS adjustments in shareholders' equity.

Hannu, jointly with Markku Vieru and Mikko Kepsu, works on a paper about state ownership steering and whether it helps or hinders analysts' forecasting. Our findings support the view that State ownership increases the forecastability of earnings. In addition to that, the special role (special duties) of State in corporate governance executed on supervisory board decreases the forecastability of earnings (higher forecasting error and dispersion).

Consortium FINNON, financed by the Academy of Finland, between researchers from University of Oulu and CEIBS "Business know-how related disclosures and their value relevance in the global knowledge society" analyzes in an international context the nature and value relevance of business know-how (economic, social, and ecological capabilities and their reporting) in a knowledge society. The whole research project consists subprojects



dealing with the dissemination and use of non-financial information. This research project provides more understanding of the nature and value relevance of business know-how (economic, social and ecological capabilities and their reporting) in an international context.

### **Hanna Silvola**

Hanna has an ongoing research project on the creation of management control systems in Finnish start-up firms. The main goal of this case study is to analyze how public funding organizations influence on the development of initial management control systems while earlier studies have paid attention to the role of private venture capital investors.

Hanna has an ongoing research project under the working title “The meaning of fit and equilibrium: Contingency theory in management accounting research” together with Prof. Kari Lukka. This study reviews earlier contingency theoretical literature aiming to build a comprehensive view of the meaning of fit and understanding of equilibrium in management accounting research. As a result, proposals for the future research will be presented.

Hanna’s another research projects are under review in international journals. Together with Anna-Maija Lantto (University of Oulu), Hanna has conducted a case study of implications of IFRS on management control. Another research project with Robert Chenhall (Monash University, Australia) and Juha-Pekka Kallunki (University of Oulu) examines Management Control Systems and Innovation within Russian Business Organizations. Finally, paper written together with Sinikka Jänkälä investigates the lagging effects of the use of activity-based costing on the financial performance of small firms.

### **Mika Vaihekoski**

Mika is currently involved in two larger research projects with outside financing from the Academy of Finland. The first one is an ongoing project together with professors Minna Martikainen (Lappeenranta University of Technology) and Jussi Nikkinen (University of Vaasa). The project is titled “Effects of Global Integration Process on Emerging Markets”.

The second project is a part of research project is titled “Financial Management and Control in Listed Firms”. The research partners include professor Eva Liljeblom (in charge of the project) from Hanken School of Economics and Tor Brunzell from Stockholm University.

In addition, Mika is currently collaborating with several researchers on research papers. These include e.g. two papers on historical development of the Finnish stock market and equity premium together with Peter Nyberg (from the Aalto University School of Economics), a paper on the role of currency risk on Swedish and Finnish stock market together with Jan Antell (from Hanken School of Economics) as well as papers with Kashif Saleem (from Lappeenranta University of Technology) and John Broussard (Rutgers School of Business).

### **Eija Vinnari**

Eija is currently working on a research project funded by Turku Institute of Advanced Studies, titled “Accountability reporting: An analysis from the perspectives of report producers and users in Finnish local government”. The project investigates the reporting of non-financial performance information by public water utilities and the feasibility of those indicators from the perspective of risk management.

Eija is also involved in three joint projects. She collaborates with Prof. Peter Skærbæk (Copenhagen Business School) in the project “The roles of risk management technologies in the public sector”. Drawing from Actor Network Theory, the paper examines the construction of a municipal risk audit report and the processes it generated while in circulation.

In the second joint project, Eija and Kari Lukka explore the similarities and differences between Actor Network Theory and Interventionist Research as research approaches in management accounting. The aim is to find out how compatible the two approaches are and to what extent there might be mutual learning potential.

Jointly with Prof. Salme Näsi (University of Tampere), Eija is beginning a research project on municipal decision-makers’ understanding of accounting information.

### **Erkki Vuorenmaa**

Erkki is currently working on several article projects in the area of collaboration, knowledge-sharing, trust and control.

His major research projects concerns the evolution of collaboration. In this project, he develops theory regarding why and how parties engage in risky collaborative relationships in which they do not have confidence in their opportunistic party and what are the consequences of these types of

relationships. This research project sheds new light on the foundations of extant collaboration theory.

His second research project concerns the development of unity. This study is based on a longitudinal case-study of hostile merger between two complementary global companies. Erkki investigates in this study how the merging companies are able to develop goal congruence and fluent collaboration to both support drastic restructuring and knowledge-sharing between the tense merging parties. This study enlarges current theory concerning the relationship between different control forms, trust and knowledge-sharing.

His third project concerns a tense sub-unit integration process. This study focuses on different sides and outcomes of social and political aspects of formal controls.

## 4 INTERNATIONAL ACTIVITIES

### 4.1 Co-operation

The department is involved in joint research programs and other co-operation particularly with the following universities:

London School of Economics (U.K.), University of Oxford (U.K.), Manchester Business School (U.K.), Michigan State University (USA), University of Alberta (Canada), Copenhagen Business School (Denmark), HEC (France), Instituto de Empresa (Spain), Gothenburg University (Sweden), University of Technology Sydney (Australia), University of Innsbruck (Austria), University of Dundee (U.K.), George Washington University (USA), University of Southern California (USA), University of Toronto (Canada), and China Europe International Business School (China).

### 4.2 Foreign Visitors at the Department

Dr. John Broussard (Rutgers University, USA) contributed to joint research project at the department 16-18 March 2009.

Professor Ken Merchant (USC, Marshall Business School, USA) presented his joint paper (with Wim van der Stede, Thomas W. Lin and Zengbiao Yu) entitled “Performance Measurement and Incentive Compensation: Comparing Chinese and Western Firms’ Practices” at the departmental research seminar on 11 May 2009.

Dr. Frederick Lindahl (George Washington University, USA). He lectured the course LTS4 International Accounting and contributed to joint research project at the department 11-30 May 2009 and 26 October – 21 November 2009.

Professor Sven Modell (Manchester Business School, UK) lectured at the doctoral KATAJA-course held at the Turku School of Economics 14-16 September 2009.

M.Sc. Niels Sandalgaard (Aalborg University, Denmark) presented his paper entitled “Environmental Uncertainty and the Need for Budgets: A Case Study” at the management accounting discussion group meeting on 3 September 2009.

Dr. Olivier Ratle (Bristol Business School, UK) presented his paper entitled “Using Rhetoric to Understand Paradigmatic Knowledge Disputes: Prospects and Possibilities” at the departmental research seminar on 22 September 2009.

Professor Jan Mouritsen (Copenhagen Business School, Denmark) contributed to joint research project at the department 24-25 November 2009.

Professor Allan Hansen (Copenhagen Business School, Denmark) contributed to joint research project at the department 24-25 November 2009.

M.Sc. Silvana Revellino (Copenhagen Business School, Denmark) contributed to joint research project at the department 24-25 November 2009.

#### 4.3 Visits to foreign institutes

Kari LUKKA

\* George Washington University, 12-13 January 2009.

Hanna SILVOLA

\* London School of Economics and Political Science, 14-17 October, 22-24 October, 28-31 October, 4-7 November and 11-14 November 2009.

#### 4.4 Participation in International Conferences 2009

Antti FREDRIKSSON

\* PLS Path Modeling, Berlin, Germany, June 11.-14.2009

\* Applying PLS Path Modeling: Advances and Extensions, Berlin, Germany, November 5.-8.2009

\* 21st Asian-Pacific Conference on International Accounting Issues, Las Vegas, United States, November 21.-26.2009.

Hanna KARLSSON

\* 32<sup>nd</sup> Annual Congress of the EAA, Tampere, Finland, May 13.-15.2009

\* 7th Conference of the ENROAC 2009, Dundee, United Kingdom, June 23.-25.2006

\* 5<sup>th</sup> Conference on Performance Measurement and Management Control, Nice, France, September 22.-26.2009

Mikko KEPSU

\* 32nd Annual Congress of the EAA, Tampere, Finland, 13-15 May 2009

\* 7th International Conference on Accounting, Athens, Greece, July 5.-10.2009

Juuso LINDEQVIST

- \* 5<sup>th</sup> Conference on Performance Measurement and Management Control, Nice, France, September 22.-26.2009

Kari LUKKA

- \* AAA/MAS-section Mid-Year Meeting, St. Petersburg, Florida, USA, 8-10 January 2009
- \* 32th Annual Congress of the EAA, Tampere, Finland, 13-15 May 2009
- \* AAA Annual Meeting, New York, USA, 2-5 August 2009.

Hannu SCHADÉWITZ

- \* 13<sup>th</sup> Annual Financial Reporting and Business Communication Conference, Cardiff, United Kingdom, July 1.-3.2009

Hanna SILVOLA

- \* 5<sup>th</sup> Conference on Performance Measurement and Management Control, Nice, France, September 22.-26.2009

Mika VAIHEKOSKI

- \* Nordic Finance Network Research Workshop, Copenhagen, Denmark, May 13.-15.2009
- \* EFMA 2009 Annual Meeting, Milan, Italy, June 24.-27.2009
- \* Workshop on Corporate Governance and Investment, Copenhagen, Denmark, October 23.-25.2009

Tuula VILJA

- \* 32nd Annual Congress of the EAA, Tampere, Finland, 13-15 May 2009

Erkki VUORENMAA

- \* 32th Annual Congress of the EAA, Tampere, Finland, 13-15 May 2009

## 5 PROFESSIONAL AND COMMUNITY RELATIONS

### 5.1 Staff

#### **Professor Kari Lukka**

European Accounting Association

- \* Chair of the Publications Committee
- \* Member of the Board

American Accounting Association, Management Accounting Section

- \* Chair of the Publications Committee
- \* Member of the Executive Committee

European Institute for Advanced Studies in Management (EIASM)

- \* Professor
- \* Organiser and chair (jointly with Mike Shields) of the biannual conference on “New directions in management accounting”
- \* Coordinator and faculty member of the biannual EDEN doctoral course on “Case-based research in management accounting”

Turku School of Economics

- \* Member of the Board
- \* Head of the Department of Accounting and Finance

The University of Turku

- \* Member of the Steering Group for developing a new strategy for the university

Consortium of the University of Turku and Turku School of Economics (2008-09)

- \* Member of the task force for research development
- \* Member of the steering group of research evaluation

Editorial Board memberships

- \* *Accounting, Organizations and Society*
- \* *European Accounting Review*
- \* *British Accounting Review*
- \* *Spanish Accounting Review*

Reviewer for several accounting research journals including *Management Accounting Research*, *Accounting History*, *Journal of Accounting and Public Policy*, *Critical Perspectives on Accounting* and *The Finnish Journal of Business Economics*.

**Professor Hannu Schadéwitz**

European Accounting Association

\* Member of the Scientific Committee 2008-2009

Editorial Review Boards

\* *The International Journal of Accounting*

\* *Corporate Governance: An International Review*

\* *Business Quest*

Reviewer, including

\**Accounting, Auditing and Accountability Journal*, *European Accounting Review*, *The International Journal of Accounting*, *Journal of Banking and Finance*, *International Journal of Accounting*, *Journal of International Accounting Research*, *The British Accounting Review*, *Corporate Governance: An International Review*, *Scandinavian Journal of Management*.

Turku School of Economics

\* Member of the Board of the Department of Accounting and Finance

\* Member of the Council of Teaching and Research

\* Member of the Committee for Research and Doctoral Studies

\* Member of the Working Group for the Annual Crediting of Publications

\* Vice-head of the Department of Accounting and Finance

**Professor Markus Granlund**

*European Accounting Review*

\* Associate Editor

*Management Accounting Research*

\* Member of the Editorial Board

*International Journal of Accounting Information Systems*

\* Member of the Editorial Board

Turku School of Economics

\* Vice-Rector (Research and Doctoral Studies)

\* Member of the Executive Group

\* Chair of the Committee for Research and Doctoral Studies



- \* Vice-Chair of the Council of Teaching and Research
- \* Member of the Board of the Department of Accounting and Finance

University of Turku/Turku School of Economics

- \* Member of the management group of the consortium
- \* Turku Institute for Advanced Studies (TIAS), member of the Managing Committee
- \* Member of the Committee for Doctoral Studies

The Finnish doctoral program in business studies (Academy of Finland)

- \* Member of the Board

Reviewer

- \* *British Accounting Review, Critical Perspectives on Accounting, European Accounting Review, European Journal of Information Systems, Financial Accountability & Management, International Journal of Accounting Information Systems, International Journal of Production Economics, Management Accounting Research, Scandinavian Journal of Management, The Finnish Journal of Business Economics.*

### **Professor Mika Vaihekoski**

Reviewer 8/2008–

- \* *International Review of Economics and Finance, Emerging Markets Finance & Trade, the Financial Review.*

External Reviewer for the Appointment of Professors

- \* University of Vaasa, Professorship (tenure) in Business Studies, Accounting (specialty Financial Markets), 2009.

### **Assistant Professor Vesa Partanen**

Turku School of Economics

- \* Member of the Degree Reform Group, 2003-2005
- \* Member of the Council of Teaching and Research, 2001-2007
- \* Member of the Board of the Department of Accounting and Finance, 2005-2006

Reviewer

- \* *Management Accounting Research, Finnish Journal of Business Economics.*

**Assistant Professor Hanna Silvola**

Turku School of Economics

\* Member of the Committee for Research and Doctoral Studies

Reviewer 8/2009-

\* *European Accounting Review, International Journal of Accounting Information Systems*

**Assistant Professor Erkki Vuorenmaa**

Turku School of Economics

\* Member of the Council of Teaching and Research

\* Member of Publication Board

**Lecturer Asta Manner**

Business Research Center (Turku School of Economics)

\* Member of the Board of Directors

Turku Polytechnic, Business and Media Unit

\* Member of the Negotiating Board

**Lecturer Ulla-Maarit Valve**

Turku School of Economics

\* Member of the Working Group for the Development of Education

**Senior Lecturer Tuula Vilja**

Turku School of Economics

\* Member of the Board of the Department of Accounting and Finance

**Research Associate Hanna Karlsson**

Turku School of Economics

\* Coordinator for the course Business and Teamwork (YLY) from May 2009 –

## 5.2 The Department

The Department of Accounting and Finance has created many important connections with auditing firms, PwC and KPMG, for example. It has also established good relationships with Finland's Financial Supervision. In addition to these connections it has formed tight associations with several well-known Finnish corporations: Nokia, Metso, ABB, Leaf, OP-Pohjola Group, Cargotec, Orion, Ahlström Capital, Rautaruukki and Raisio group, just to name a few.

## 6 ADMINISTRATION

### **The Board of the Department:**

Kari Lukka, Chairman  
Hannu Schadéwitz  
Markus Granlund  
Tuula Vilja  
Mikko Kepsu  
Kristiina Kianen  
Suvi Vuorsola (until April 2009)  
Joonas Rauhamäki (from May 2009)

Riina Karskela, secretary

Meetings: 30 March, 16 April, 5 May

### **Representatives in the Council of Teaching and Research:**

Markus Granlund (vice-chair)  
Kari Lukka  
Hannu Schadéwitz  
Erkki Vuorenmaa

### **The Board of Turku School of Economics:**

Kari Lukka, Member of the Board  
(Markus Granlund, not authorized to vote)

## 7 TEACHING PROGRAMS

### 7.1 Students of Accounting and Finance

Selection of Accounting and Finance studies as a major subject

<u>Year</u> <u>course</u>	<u>Major</u> <u>subject</u>	<u>Total number of students on</u> <u>the year's course</u>
1991	63	240
1992	58	240
1993	74	255
1994	61	240
1995	44	240
1996	67	240
1997	43	240
1998	47	240
1999	61	240
2000	70	240
2001	52	240
2002	55	240
2003	59	240
2004	57	240
2005	59	240
2006	51	240
2007	60	240
2008	60	240
2009	60	240

### 7.2 Courses Offered

The Department offers courses for the following degrees:

- \* Bachelor of Science, B.Sc. (Econ. & Bus. Adm.)
- \* Master of Science, M.Sc. (Econ. & Bus. Adm.)
- \* Licentiate of Science, Lic.Sc. (Econ. & Bus. Adm.)
- \* Doctor of Science, Ph.D. (Econ. & Bus. Adm.)

### 7.2.1 Bachelor's Degree (basic and subject studies)

<b>Code</b>	<b>Course Title</b>
LYYA	Bookkeeping (parts I and II)
LYYB	Cost Accounting
LT01	Theory and Applications of Financial Accounting
LT02	Foundations of Management Accounting
LT03	Foundations of Corporate Finance
LT04	Accounting and Organizational Decision making
LT05	Intermediate Finance
LT06	Accounting and Organizational Control
LT07	Special Courses in Accounting and Finance
LT07, 1	Accounting of the Public Sector
LT07, 2	Financial Analysis
LT07, 3	Cost Management
LT07, 4	Corporate Responsibility Reporting
LT07, 5	Corporate Restructuring
LT07, 6	IAS/IFRS-financial Analysis Standards
LT09	Accounting Information Systems
LT10	Consolidated Accounts
LT11	The Foundations of Auditing
LT15	Investor Relations
LT16	Understanding Business Numbers
LTK	Bachelor's Thesis

### 7.2.2 Master's Degree (advanced studies)

<b>Code</b>	<b>Course Title</b>
LTS1	Advanced Corporate Finance
LTS2	Advanced Management Accounting
LTS3	Recent Developments in Company Accounting and Corporate Finance
LTS4	International Accounting
LTS5	Advanced Financial Accounting
LTS6	Advanced Auditing
LTS7	International Financing
LTS8	ADP-aided Audit and System Inspection
LTS9	Financial Institutions
LTS10	Risk Management

LTS11	Derivatives Contracts
LTS12	Advanced Strategic Management Accounting
LTS13	Advanced Management Control Systems
LTS14	Intellectual Capital Measurement and Management
LTS15	Strategy and Business Competence
LTS17	Portfolio Theory
LTS19	Business Development Laboratory: Growth Access Program – Turning Ideas into Business
LTS25	Financial modeling and simulation
LTPG	Master's Thesis

A student can concentrate on Financial Accounting and Finance courses or on Management Accounting Courses depending on one's interests.

### 7.2.3 Licentiate and Doctor of Science Studies

<b>Code</b>	<b>Course Title</b>
LTJ1	Accounting Methodology, Research Tradition and History
LTJ2	Financial Accounting and Finance or Management Accounting
LTJ3	Special Courses
LTL	Licentiate Thesis
Optional Studies	
Doctoral Thesis	

## 8 THESES COMPLETED

### 8.1 Master's Theses Completed 1992–2009

Average number of Master's theses completed (1992–2009) per year: 51

Students of Accounting and Finance have completed their master's theses as follows:

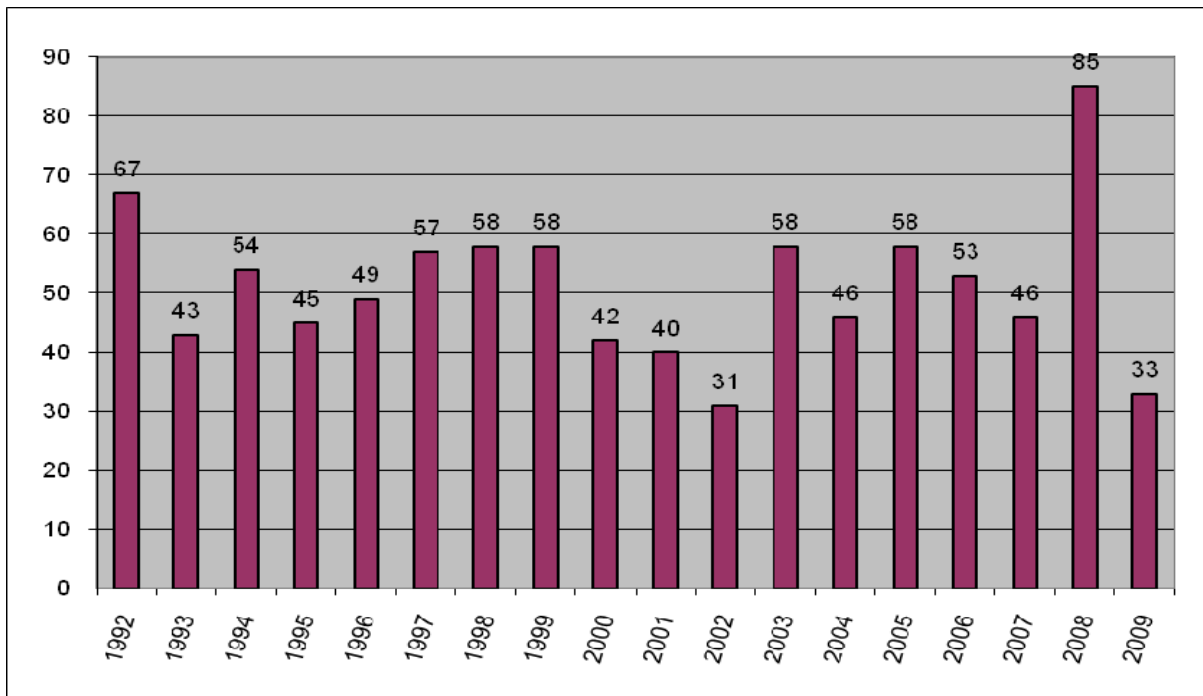


Figure 1 – Completed Master's theses 1992-2009