



# **Turku School of Economics**

## **Accounting and Finance**

### **Annual Report 2011**



Turun yliopisto  
University of Turku

## Further information

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# 1 REVIEW BY THE HEAD OF ACCOUNTING AND FINANCE

The year 2011 was the second post-merger year as Turku School of Economics being part of the University of Turku, meaning gradual stabilisation of activities towards the business-as-usual mode as well as increasing integration of practices between the University and the School. It was also a year when the financial aspect of keeping our budget in balance gained in significance, both regarding the Department of Accounting and Finance and the entire School.

As far as research was concerned, the scholars of Accounting and Finance continued their efforts to conduct research of high international quality. In 2011 several research projects of notable size were continued and new ones were started, too. An example of the latter is the project entitled "State ownership steering: what, why, and how?", directed by Professor Hannu Schädewitz. Scholars of Accounting and Finance published their works in several high quality research journals during 2011, including *Management Accounting Research*, *European Journal of Finance*, *International Journal of Accounting Information Systems*, *Journal of Small Business Management* and *Journal of Management Accounting Research*. In addition, they also contributed chapters to scholarly edited books.

The faculty of the Department worked within several 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 on their editorial boards and as reviewers. Professor Markus Granlund not only continued as an Associate Editor of *European Accounting Review* and *International Journal of Accounting Information Systems*, but he also served as a member of the Board of the EAA. In 2011, Dr. Hanna Silvola started as the Editor of the Newsletter of the EAA. As one indication of the good progress in the finance area of the subject, Professor Mika Vaihekoski was appointed to a member of the Editorial Board for the *International Journal of Portfolio Analysis & Management*. Professor Kari Lukka organised and chaired the fifth edition of the doctoral EDEN course on "Case-based Research in Management Accounting" of the EIASM.

Typical of the activities of Accounting and Finance were the several international academic visits that it received and paid in 2011. The visitors formed a distinguished and stimulating mixture of scholars from across the spectre of Accounting and Finance and included Dr. Paul Brown (University of Technology Sydney, Australia), Professor Michael J. Jones (University of Bristol, UK), Associate Professor Frederick Lindahl (George Washington University, USA), Professor Kenneth Merchant (Marshall School of Business, University

of Southern California, USA) and Professor Jill Solomon (King's College London, University of London, UK). On the other hand, Professor Kari Lukka visited HEC Paris (France) and Macquarie University (Australia), Professor Markus Granlund University of Technology Sydney (Australia), Professor Mika Vaihekoski Higher School of Economics State Research University (Moscow, Russia) and Dr. Hanna Silvola (on several occasions) London School of Economics and Political Science (UK).

The faculty of Accounting and Finance also worked actively on a national level, for instance by organising a considerable number of departmental research seminars. The management accounting discussion group, coordinated by Dr. Eija Vinnari, assembled about once a month. The faculty also engaged in much cooperation with the business community. This included close co-operation with several companies related to on-going field research projects. With regard to teaching, the collaboration was most intensive with KPMG, PwC, Nokia, SEB, Amer Sports and the OP-Pohjola Group, while the Financial Supervision Authority of Finland is also deserving of special mention. Collaboration with Tofuture Oy continued in the teaching and research of the reporting of social responsibility.

Several members of the faculty of Accounting and Finance worked actively in the different managerial and advisory positions and committees of both the School and the University. Professor Granlund continued as the Vice-Director of the School. Professor Lukka contributed to the work of developing the strategy of the University in the task force dedicated to that project.

During 2011 we were happy to welcome Terhi Chakhovich (Postdoctoral researcher), Joonas Hämäläinen (Doctoral student) and Johanna Rämö (Doctoral student) as new members to the faculty of Accounting and Finance.

It is my pleasure to warmly thank the entire personnel of Accounting and Finance for its most productive efforts and contributions during 2011.

In Turku, 12 March 2012

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 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", organized biannually as well. In addition to being a member of the Board of Turku School of Economics, in recent years Kari has been actively involved in the strategy development and implementation processes going on at the School. He is also a member of the Collegium of the University of Turku.*

### **Hannu Schadéwitz**

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



*Hannu's research interests cover: discretionary corporate reporting, international accounting, corporate governance (especially State ownership steering), and role of information intermediaries (especially analysts). Currently Hannu analyzes 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 on focus. Teaching areas include financial accounting theory and corporate governance. Hannu also supervises Master's and Doctoral theses.*

### **Markus Granlund**

Professor, Ph.D. (Econ. & Bus. Adm.), Vice-Director (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, 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. Due to the Vice-Directorship, Markus is intensively involved with the administration of TSE/University of Turku. He is currently a member/chairman of more than ten administrative bodies within the University.*

### **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 interests currently are the historical equity premium in Finland, profitability of pairs trading, as well as financial management and internal controls in the NasdaqOMX listed firms. Teaching areas cover several courses in finance (e.g., corporate finance, asset pricing, financial modelling, and portfolio management). Mika also supervises Master's and Doctoral theses work.*

### **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.) (until July 2011)



*Minna is teaching cost accounting and management accounting.*

**Antti Fredriksson**

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



*Antti's research interest is in the area of accounting and financial intermediation. His research themes include bank-firm relationships, corporate governance and audit research. He gives courses on contemporary trends in financial accounting and auditing as well as a course on IFRS-standards. He also co-supervises Doctoral and Master's theses, and supervises Candidate thesis work.*



### **Hanna Silvola**

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



*Hanna's 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 intangible capital such as R&D investments, goodwill and innovations. Her research projects cover both contingency based survey research and qualitative methods. Hanna teaches courses "Accounting and Organizational Control" and "Accounting Information Systems". She also supervises Master's thesis work and teaches in TSE executive training program.*

### **Eija Vinnari**

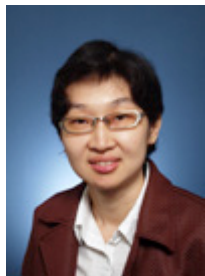
Postdoctoral Researcher, D.Sc. (Technology)



*Eija's research interests include questions related to public sector accounting, corporate social and environmental reporting as well as environmental management accounting. Her particular area of expertise is accounting for public infrastructure services. Eija teaches the course "Public Sector Accounting" for third-year students. She also supervises MSc and PhD theses and is involved in the TSE executive training program.*

### **Yeng Wai Lau**

Postdoctoral Researcher, Ph.D. (Acctg. & Info. Sys.)



*Yeng's research interests revolve around the cognitive and behavioral aspects of accounting judgments and decision making, using both quantitative and qualitative research methods. Currently, her main interest is in the knowledge structure and knowledge acquisition process of individual auditors in a case setting. She teaches management accounting and accounting information systems courses. She also supervises master's theses.*

### **Terhi Chakhovich**

Postdoctoral Researcher, D.Sc. (Econ. & Bus. Adm.)



*Terhi's research interests include corporate governance, managerial time orientation and myopia, performance measurement and compensation, as well as management accounting research with a sociological or Foucauldian focus. Most of Terhi's current research projects are methodologically qualitatively oriented. Terhi's courses include "Accounting and organizational decision-making" and "Research process and qualitative methodology". She supervises Master's thesis work and teaches in TSE executive training programs.*

### **Hanna Pitkänen (former Karlsson)**

Research Associate, M.Sc. (Econ. & Bus. Adm.) (on leave until July 2011)



*Hanna's research interests are in the area of management accounting control and qualitative research methods. She is working on her Ph.D. thesis "Theorizing formal and informal feedback practices in management accounting through three dimensions". She supervises students' Bachelor's and Master's theses, teaches and coordinates the course "Business and Teamwork" for first-year students, teaches Cost Accounting and reads for a pedagogy degree at Turku University Department of Education.*

### **Niina Ahokas**

Doctoral Student, M.Sc. (Econ. & Bus. Adm.) (until June 2011)



*Niina's research interests are in the area of corporate internal control and qualitative research methods and she is currently working on her Ph.D. thesis. She is teaching the courses for "Cost Accounting" and "Business and Teamwork" for first-year students, and also supervises students' bachelor's theses.*

### **Mikko Kepsu**

Research Associate, M.Sc. (Econ. & Bus. Adm.) (until July 2011), Lecturer (from August 2011)



*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". He also supervises students' Bachelor's and Master's theses, and teaches courses in finance. Kepsu is also a lecturer in the executive MBA program of the School.*

**Anna-Maija Lantto**

Research Associate, M.Sc. (Econ. & Bus. Adm.) (until June 2011)



*Anna-Maija's research interests are in the area of the IFRS adoption and its implications. She is currently working on her Ph.D. thesis under the title "IFRS adoption: perspectives of preparers and users of information". Anna-Maija also teaches a course concerning qualitative research methods and supervises Master's thesis work.*

**Johanna Rämö**

Doctoral Student, M.Sc. (Soc. Sc.) (from July 2011)



*Johanna's research interests include issues related to management control, organizational learning, intellectual capital and employee motivation. She is currently working with her doctoral dissertation and supervises Bachelor's and Master's theses work. Johanna also teaches a course concerning qualitative research methods and the course "Business and Teamwork" for first-year students.*

**Joonas Hämäläinen**

Doctoral Student, M.Sc. (Econ. & Bus. Adm.) (from August 2011)



*Joonas' research interests are in the area of asset pricing, investment management, and time series forecasting. He is working on his doctoral dissertation and also teaches in various intermediate and advanced level Finance courses. Joonas also supervises Bachelor's thesis seminars.*

**Leena Henderson**

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



**Riina Karskela**

Acting Departmental Coordinator, M.Sc. (Soc. Sc.) (on leave from November 2010)



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

**Noora Kedonperä**

Acting Departmental Coordinator, M.Phil. B.Ed. (from November 2010)



**Ilona Karkulehto**

Acting Educational and Research Secretary



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

**Sini Laine**

Research Assistant

**Atte Salminen**

Research Assistant (until March 2011)

**Antti Seppänen**

Research Assistant (from March 2011)

### 3 RESEARCH ACTIVITIES

#### 3.1 Publications 2007–2011

##### 3.1.1 Articles in Refereed International Journals or Edited 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*, Vol. 19 (6), 840–866.
- Antell, J. – Vaihekoski, M. (2007) International Asset Pricing Models and Currency Risk: Evidence from Finland 1970–2004. *Journal of Banking and Finance*, Vol. 31 (9), 2571–2590.
- Brown, D. – Granlund, M. – Sundin, H. (2010) Balancing multiple conflicting objectives with a Balanced Scorecard. *European Accounting Review*, Vol. 19(2), 203–246.
- Carmona, S. – Lukka, K. (2010) Obituary. Anthony G. Hopwood 1944–2010. *European Accounting Review*, Vol. 19 (3), 395–398.
- Chenhall, R. – Kallunki, J-P. – Silvola, H. (2011) Exploring the relationships between strategy, innovation and management control systems: The roles of social networking, organic innovative culture and formal controls. *Journal of Management Accounting Research*, Vol. 23(1), 99–128.
- 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*, Vol. 59 (1), 2–19.
- Frederiksen, H. – Vinnari, E. (2010) Water, food and economy. *Environment & History* Vol. 16(2), 195–212.



- Granlund, M. (2011) Extending AIS research to management accounting and control issues – A research note. *International Journal of Accounting Information Systems*, Vol. 12(1), 3–19.
- Granlund, M. – Malmi, T (2009) Agreeing on problems, where are the solutions? A reply to Quattrone. *European Accounting Review*, Vol. 18(3), 631–639.
- Granlund, M. – Malmi, T (2009) In search of management accounting theory. *European Accounting Review*, Vol. 18(3), 597–620.
- Grönlund, T. – Louko, A. – Vaihekoski, M. (2008) Corporate Real Estate Sale and Leaseback Effect: Empirical Evidence from Europe. *European Financial Management*, Vol. 14 (4), 820–843.
- Hukka, J.J. – Vinnari, E. (2010) An international comparison of the institutional governance of water utility asset management and its implications for Finland. *Water Policy*, Vol. 12(1), 52–69.
- Humphrey, C. – Lukka, K. (2011). (AC) Counting research: The value of qualitative outlook. In: *Challenges and Controversies in Management Research*, eds. Lee, B. – Cassell, C. Routledge.
- Juuti, P.S. – Katko, T.S. – Vinnari, E. (2010) Editorial Note: “Pasts and Futures of Water”. *Environment & History* 16(2), 167–171.
- Jänkälä, S. – Silvola, H. (2011) The lagging effects of the use of activity-based costing on the financial performance of small firms. *Journal of Small Business Management*, (forthcoming).
- Kakkuri-Knuuttila, M.-L. – Kuorikoski, J. – Lukka, K (2008) No premature closures of debates, please: A response to Ahrens. *Accounting, Organizations and Society*, Vol. 33 (2/3), 298–301.
- Kakkuri-Knuuttila, M.-L. – Kuorikoski, J. – Lukka, K (2008) Straddling between paradigms: A naturalistic philosophical case study on interpretive research in management accounting. *Accounting, Organizations and Society*, Vol. 33 (2/3), 267–291.
- Kallunki, J-P – Laitinen, E. K. – Silvola, H. (2011) Impact of enterprise resource planning systems on management control systems and firm performance. *International Journal of Accounting Information Systems*, Vol. 12(1), 20–39.

- Lau, Y. W. – Ng, S. I. (2011) A business opportunity or dilemma? *Asian Journal of Case Research*, Vol. 4 (2).
- Liljeblom, E. – Vaihekoski, M. (2009) Corporate ownership and managerial short-termism: Results from a Finnish study of management perceptions. *International Journal of Production Economics*, Vol. 117 (2), 427–438.
- Lukka, K. (2007a) Accounting Theory. Essays by Carl Thomas Devine. Book review on Hendriksen, H. S. – Williams, P. F. (eds.) *European Accounting Review*, Vol. 16 (3), 655–659.
- Lukka, K. (2007b) Management Accounting Change and Stability: Loosely Coupled Rules and Routines in Action. *Management Accounting Research*, Vol. 18 (1), 76–101.
- Lukka, K. (2010) The roles and effects of paradigms in accounting research. *Management Accounting Research*. Vol. 21 (2), 110–115.
- Lukka, K. – Modell, S. (2010) Validation in interpretive management accounting research. *Accounting, Organizations and Society*. Vol. 35 (4), 462–477.
- Niskala, M. – Schadewitz, H. (2010) Communication via responsibility reporting and its effect on firm value in Finland. *Corporate Social Responsibility and Environmental Management*. Vol. 17 (2).
- Nyberg, P. – Vaihekoski, M. (2010) A new value-weighted index for the Finnish stock market. *Research in International Business and Finance*. Vol. 24 (3), 267–283.
- Pitkänen, H. – Lukka, K. (2011) Three dimensions of formal and informal feedback in management accounting. *Management Accounting Research*, Vol. 22 (2), 125–137.
- Saleem, K. – Vaihekoski, M. (2009) Pricing of global and local sources of risk in Russian stock market. *Emerging Markets Review*, Vol. 9 (1), 40–56.
- Saleem, K. – Vaihekoski, M. (2010) Time-varying global and local sources of market and currency risk in Russian stock market. *International Review of Economics & Finance*. Vol. 19 (4), 686–697.
- Schadewitz, H. (2009) *Financial and nonfinancial information in interim reports*. Lambert Academic Publishing (reprinted Doctoral Dissertation).

- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. *Applied Financial Economics*, Vol. 19 (19), 1547–1557.
- Vaihekoski, M. (2011) History of finance education and research in Finland: The first 30 years. *European Journal of Finance*, Vol. 17 (5–6), 339–354.
- Vinnari, E. (2011) Peterhof: Water fountains as devices of royal impression management. In: *Water Fountains in the Cityscape*, eds. Hynynen, A. – Juuti, P. – Katko, T. American Public Works Association Press, Kansas City.

### 3.1.2 Articles in Finnish Journals

- Ahokas, N. (2007) Sarbanes-Oxley on osa Yhdysvalloissa listattujen suomalaisyritysten sisäistä valvontaa. *Tilintarkastus - Revision* 3/2007.
- Ahokas, N. (2010) Miten rakentaa liiketoimintaa tukeva sisäinen valvonta? *Tilintarkastus - Revision* 5/2010.
- Fredriksson, A. (2007) Tilinpäätösraportoinnin laatu ja sen merkitys pankkisuhteissa. *Tilintarkastus - Revision* 2/2007: 30–33.
- Fredriksson, A. (2011) Yliopistojen tilinpäätösten vertailu on hankalaa. *Acatiimi*, 6/2011.
- Fredriksson, A. – Lindahl, F. (2009) Did auditors need reforming? The need for SOX. *The Finnish Journal of Business Economics*, 1/2009.
- Granlund, M. – Lukka, K. (2009) Uncertainty and the control of the drug discovery and development process. *Dosis*, Vol. 25(1), 49–55.
- Liljeblom, E. – Vaihekoski, M. (2010) Who creates short-term pressure? An analysis of firms with different ownership structures. *The Finnish Journal of Business Economics*, Vol. 59 (3), 239–264.
- Partanen, V. (2007a) Talousviestintä johtamisen tukena. *Yritystalous WalkAbout*, 4/2007: 50–53.
- Partanen, V. (2007b) Vaikuttava talousviestintä johtamisen tukena. *Tilisanomat* 3/2007: 50–53.

Schadewitz, H. – Vieru, M. (2010) Impact of IFRS transition on audit and non-audit fees: evidence from small and medium-sized listed companies in Finland. *The Finnish Journal of Business Economics*, Vol. 2 (1), 11–40.

Vinnari, E. - Laine, M. (2011) Vesihuoltolaitosten yhteiskuntavastuuraus. *Vesitalous*, 3/201.

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

Antell, J. – Vaihekoski, M. (2011) *Pricing currency risk in the stock market: Empirical evidence from Finland and Sweden 1970-2009*. Aboa Center for Economics, Discussion Papers, No. 63, 2011.

Fredriksson, A. (2010) *Soft and hard information in bank-firm relationships: The effect of relationship intensity and reporting conservatism on loan pricing and relationship value*. Publications of the Turku School of Economics, Series A-5/2010, Turku.

Granlund, M. (2007a) 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, Turku.

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

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

Granlund, M. – Malmi, T. (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, Turku.

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, Turku.

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

#### 3.1.4 Other Publications

- Abdullah, A. – Lau, Y. – Ong, T.S. (2010) *Accounting Research 2010*. University Putra Malaysia Press.
- Brown, D. – Granlund, M. – Sundin, H. (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.
- Ding, Y. – Hope, O.-K. – Schadewitz, 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.
- Järvenpää, M. – Partanen, V. – Tuomela, T.-S. (2007) *Moderni taloushallinto – haasteet ja mahdollisuudet* (Modern Controllership: 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. – Pitkänen, H. (2010) Formal and informal feedback in management accounting - Taking a look beyond the balanced scorecard. *CIMA Research executive summary series*, Vol. 6, Issue 14, 8 p.
- Nyberg, P. – Vaihekoski, M. (2009a) *A new value-weighted total return index for the Finnish stock market*. Bank of Finland, Discussion Paper, 2009, No. 21.
- Nyberg, P. – Vaihekoski, M. (2009b) 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, Helsinki.
- Nyberg, P. – Vaihekoski, M. (2011a) *Descriptive analysis of Finnish equity, bond, and money market returns*. Bank of Finland, Discussion Paper, 2011, No. 14.
- Nyberg, P. – Vaihekoski, M. (2011b) *Helsingin Pörssin menestyksekkäs vuosisata*. Investment (Sampo Pankki), May/2011, 32–33.
- Partanen, V. (2007) *Talousviestintä johtamisen tukena*.
- Roine, S-L. – Vaihekoski, M. (2011) *Sijoittajan korko-opas*. Pörssisäätiö.
- 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.
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- Vaihekoski, M. (2008) *History of finance research and education in Finland: the first thirty years*. Bank of Finland, Discussion Paper, 2008, No. 18.

### 3.2 Conference Presentations

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

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

Broussard, J. P. – Vaihekoski, M. (2010) Profitability of Pairs Trading: Empirical Evidence from Finland. *Paper presented at the 6<sup>th</sup> Portuguese Finance Network 2010 Conference*, Azores.

Broussard, J. P. – Vaihekoski, M. (2011) Profitability of pairs trading strategy in Finland. *Paper presented at the 20th Annual Conference of the European Financial Management Association (EFMA)*, Braga, Portugal.

Brunzell, T. – Liljeblom, E. – Vaihekoski, M. (2010) Short-Term Expectations in Listed Firms: The Mitigating Impact of Large Owners”. *Paper presented at the 19<sup>th</sup> Annual Conference of the European Financial Management Association*, Aarhus, Denmark.

Brunzell, T. – Liljeblom, E. – Vaihekoski, M. (2011a) Determinants of capital budgeting methods and hurdle rates in Nordic firms. *Paper presented at the 9th INFINITI Conference on International Finance*, School of Business, Trinity College Dublin, Ireland.

Brunzell, T. – Liljeblom, E. – Vaihekoski, M. (2011b) Determinants of capital budgeting methods and hurdle rates in Nordic firms. *Paper presented at the 18th Annual Conference of the Multinational Finance Society*.

Brunzell, T. – Liljeblom, E. – Vaihekoski, M. (2011c) Determinants of capital budgeting methods and hurdle rates in Nordic firms. *Paper presented at the 20th Annual Conference of the European Financial Management Association (EFMA)*, Braga, Portugal.

Chakhovich, T. (2011a) Moving targets and sitting ducks: The differing nature of target levels in two companies with focuses on financial and product markets. *The 34th Annual Congress of the European Accounting Association*: Rome, Italy, April 20–22, 2011.

- Chakhovich, T. (2011b) Moving targets and sitting ducks: The differing nature of target levels in two companies with focuses on financial and product markets. *Critical perspectives on Accounting*: Clearwater, Florida, USA, July 10–12, 2011.
- Chakhovich, T. (2011c) How time and ethics intersect: exploring methodological orientations. *The 1st Workshop on Business Ethics*, Brussels, Belgium, November 10–11, 2011.
- Chakhovich, T. – Ikäheimo, S. – Seppälä, T. (2011) The relation between executive time horizon and executive compensation. *The 34th Annual Congress of the European Accounting Association*, Rome, Italy, April 20–22, 2011.
- Ding, Y. – Hope, O.-K. – Schadewitz, H. (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.
- 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. (2008) The Pricing of Reporting Conservatism in Private Loan Contracts. *Proceedings in 20<sup>th</sup> Asian-Pacific Conference on International Accounting Issues*.
- Fredriksson, A. (2009) The Effect of Relationship Intensity and Reporting Conservatism on Loan Pricing and Relationship Value. *Proceedings in 21<sup>st</sup> Asian-Pacific Conference on International Accounting Issues*.
- Fredriksson, A. (2010) The Effect of Relationship Intensity and Reporting Conservatism on Loan Pricing and Relationship Value. *Proceedings in EAA 33rd Annual Congress*, Istanbul, Turkey.
- Fredriksson, A. (2011) Asymmetric information, loan pricing and relationship value in SME lending. *34th EAA Annual Congress*, Rome, Italy.
- Granlund, M. (2007a) On the interface between management accounting and modern information technology. *The 30<sup>th</sup> Annual Congress of the European Accounting Association*, Lisbon, Portugal, April 25–27, 2007.
- Granlund, M. (2007b) 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, Canada, 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.
- Granlund, M. (2011) Symposium presentation: Debating the relevance of management accounting research – are we ready for it? *The 34th Annual Congress of the European Accounting Association*, Rome, Italy, April 20-22, 2011.
- 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, April 11, 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, July 20–23, 2008.
- Karlsson, H. – Lukka, K. (2009a) 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, May 12–15, 2009.
- Karlsson, H. – Lukka, K. (2009b) 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, UK, June 23–25, 2009.
- Karlsson, H. – Lukka, K. (2009c) 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. (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.
- Kepsu, M. – Schadewitz, H. – 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.

- Kepsu, M. – Schadéwitz, H. – Vieru, M. (2009a) 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. (2009b) Does State ownership steering help or hinder analysts' forecasting? *7th International Conference on Accounting*, Athens, Greece, July 6–9, 2009.
- Kepsu, M. – Schadewitz, H. – Vieru, M. (2011) Does state ownership steering help or hinder analysts' forecasting the dynamic world of accounting: Research, practice and education in a changing environment. First published by *ATINER*, 2011.
- Lakka, 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, Portugal, April 25–27, 2007.
- Lau, Y. (2010) *Management Accounting Section Research and Case Conference and IMA/MAS Doctoral Colloquium*, Seattle, Washington, January 6–9, 2010.
- Lau, Y. (2011a) Discriminating product profitability problems: the mediating role of cognitive load. *American Accounting Association 2011 Management Accounting Section Research and Case Conference and Doctoral Colloquium*, Atlanta, Georgia, USA, January 5–8, 2011.
- Lau, Y. (2011b) Discussant to Ph.D. student Elina Haapamaki “The Quality of Financial Reporting and Audit Exemption in Small Private Firms”. *Annual Doctoral Tutorial of Accounting*, Tampere, Finland, August 29–30, 2011.
- 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)*, Athens, Greece.
- Lindahl, F. – Schadewitz, H. (2008a) 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.
- Lindahl, F. – Schadewitz, H. (2008b) 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.
- Lindahl, F. – Schadéwitz, H. (2009). The role of international legal systems on accounting quality. *In Programme and collected abstracts of the 13th Annual*



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*Financial Reporting and Business Communication Conference (FRBC)*, Cardiff, UK.

- Lindahl, F. – Schadewitz, H. (2011) Are legal families related to financial reporting quality? *In programme and collected abstracts of the Annual Congress of the AAA*, Denver, Colorado, USA.
- Lukka, K. (2007) Europe meets America: Exploring diverse research perspectives. Panel presentation, *American Accounting Association, Annual Meeting*, Chicago, USA, August 7, 2007.
- Lukka, K. (2008a) *Validation in interpretive management accounting research*. University of Venice, Italy, May 27, 2008.
- Lukka, K. (2008b) *Validation in interpretive management accounting research* (jointly with Sven Modell), Manchester Business School, UK, June 10, 2008.
- Lukka, K. (2008c) Chairman of the 6<sup>th</sup> *ELIASM Conference* on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields), Brussels, Belgium, December 15–17, 2008.
- Lukka, K. (2009a) 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, May 13–15, 2009.
- Lukka, K. (2009b) Active engagement outside accounting research comfort zones. Panel presentation, *AAA Annual Meeting*, New York, USA, August 2–5, 2009.
- Lukka, K. (2009c) *True scholarship in the era of publish or perish -mentality*. Panel presentation at the seminar on “The functioning of the academic community”, The University of Turku (COREHES), Finland, October 12, 2009.
- Lukka, K. (2010a) The Future of Management Accounting Departments. Panel presentation, *AAA/MAS Midyear Meeting*, Seattle, Washington, USA, January 7–9, 2010.
- Lukka, K. (2010b) The roles and effects of paradigms in accounting research. Key note speech at the Conference MAR 2010 – Interdisciplinary research in cost, profitability and performance management in manufacturing, logistics and service operations”. Ghent, Belgium, June 21–23, 2010.

- Lukka, K. (2010c) Approaches to case research in management accounting. Key note speech, *6<sup>th</sup> Annual Conference at the University of Economics* entitled “Through crisis reflection to performance enhancement”, Prague, Czech, September 15, 2010.
- Lukka, K. (2010d) Mission impossible? The roles of managerial interventions and organisational ideologies in advancing change. Research seminar presentation, CEIBS, Shanghai, China, November 15, 2010.
- Lukka, K. (2010e) Chairman of the *7<sup>th</sup> ELASM Conference* on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields), Brussels, Belgium, December 15–17, 2010.
- Lukka, K. (2011a) A Three-Dimensional Roadmap for Structuring Accounting Research: How to Locate Actor-Network Theory? (joint paper with Eija Vinnari). Research seminar presentation, HEC Paris, France, March 11, 2011.
- Lukka, K. (2011b) Intervention as a “battlefield” in conducting interventionist research in management accounting: Reflective analysis (joint paper with Petri Suomala and Jouni Lyly-Yrjänäinen). Conference on Performance management and management control, Nice, France, September 7–9, 2011.
- Lukka, K. (2011c) Problematizing the concept of uncertainty in management accounting research (joint paper with Markus Granlund). Research seminar presentation, Macquarie University, Sydney, Australia, November 3, 2011.
- Lukka, K. – Vinnari, E. (2010) A three-dimensional roadmap for structuring accounting research: how to locate Actor-Network Theory? *ELASM 7th Conference on New Directions in Management Accounting*, Brussels, Belgium, December 15.–17, 2010.
- Lukka, K. – Vinnari, E. (2011) A three-dimensional roadmap for structuring accounting research: How to locate Actor-Network Theory? *34th EAA Annual Congress*, Rome, Italy, April 19-22, 2011.
- 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. Proceed-*

*ings of the Corporate Responsibility Research (CRR) Conference*. University of Vaasa, Finland.

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, Italy.

Nyberg, P. – Vaihekoski, M. (2011) Descriptive analysis of Finnish equity, bond, and money markets. *Paper presented at the 28th International Conference of the French Finance Association (AFFI)*, Montpellier, France.

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, Greece.

Saleem, K. – Vaihekoski, M. (2011) Time-varying global and local sources of risk in Russian stock market. *XII International Academic Conference on Economic and Social Development*, Moscow, Russia.

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.

Silvola, H. (2010a) Creating Management Control Systems for Radical Innovations: How does the Source of Funding Matter? *33rd Annual Congress of the European Accounting Association*, Istanbul, Turkey.

Silvola, H. (2010b) Hanna Silvola was an appointed discussant to Ph.D. student Tina Henttu-Aho “Dynamics behind the new budgeting practices: viewpoint of ERPS and controller's changing role”. *Annual Doctoral Tutorial of Accounting*, Oulu, Finland, June 3–4, 2010.

Silvola, H. (2011a) Hanna Silvola was an appointed discussant to Ph.D. student Heli Kortessalmi “Whistle-blowing reporting systems”. *Annual Doctoral Tutorial of Accounting*, Tampere, Finland, August 29–30, 2011.

- Silvola, H. (2011b) Goodwill impairment testing: trust in numbers about the future? *Workshop on Financial Accounting as Social and Organizational Practice*, London, England, UK, December 12–13, 2011.
- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. *European Financial Management Association (EFMA) 2006 Conference*. Spain, Madrid.
- Vinnari, E. (2010) The roles of risk management technologies in the public sector. *ELASM 6th International Conference on Accounting, Auditing and Management in Public Sector Reforms*, Copenhagen, Denmark, September 1–3, 2010.
- Vinnari, E. – Laine, M. (2011) Why do monopolies bother? CSR reporting in public water utilities. *The 23rd CSEAR International Congress on Social and Environmental Accounting Research*, Scotland, United Kingdom, September 7–9, 2011.
- Vinnari, E. – Näsi, S. (2011) Measured vs. perceived financial knowledge of municipal board members. *13th Biennial CIGAR Conference*, Ghent, Belgium, June 9–10, 2011.
- Vuorenmaa, E. (2007) The development of trust in the trust and control relationship in the organizational context. *Presented at the 4<sup>th</sup> ELASM workshop on trust within and between organizations*, Amsterdam, the Netherlands, 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, Belgium, 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*, May 13–15, 2009.

### 3.3 Research in Progress

#### Niina Ahokas

Niina is working on her doctoral thesis in progress which deals with the institutionalization of internal control system under Sarbanes-Oxley legislation. Her study seeks to shed light on the factors that enables, or on the other hand disturbs the institutionalization of internal control system. The study is con-

ducted via case-study method in a multinational organization that is subject to Sarbanes-Oxley legislation.

### **Terhi Chakhovich**

Some of Terhi's projects are based on an extensive data set out of which a part was included in her dissertation and a part has been gathered afterwards. This data set includes interviews and archival data in five companies, two listed and three non-listed, concerning the time orientation of the companies and management therein, as well as performance measurement and compensation in the companies. The projects based on these data include the analysis of problems with long-term orientation, as well as the analysis of the differences between targets that appear to alter when time passes and targets that are set as stable for a certain period of time. Terhi also investigates how research relying on the notion of the time line can be implemented with qualitative methodology in the sphere of accounting.

Terhi cooperates with Professor Elton G. McGoun in a study on how grids in the landscape organize and control us by functioning as a technology of collectivization. Moreover, Terhi is involved in an early-stage project with Professor Juhani Vaivio on the interface between the professional identities of accountants, designers and technology experts. Furthermore, Terhi cooperates with Professors Seppo Ikäheimo and Tomi Seppälä in a survey study implemented with a quantitative methodology, investigating the time orientations of listed company executives, performance measurement and compensation systems, and company ownership.

### **Antti Fredriksson**

The on-going work titled "Information production, loan pricing and customer profits" studies the differential level of asymmetric information within relationship and financial statement lending technologies. Other on-going studies analyse bank-firm relationships and their importance to private firms. Several joint post-doctoral projects were initiated on corporate governance and audit research. The joint project of corporate governance introduces the role social networks in the production of financial information.

### **Markus Granlund**

Together with Prof. Kari Lukka (TSE), Markus has a research project currently entitled "Problematizing the concept of uncertainty in management accounting research". Whereas there is a vast literature trying to explain how uncertainty connects to supply and demand of information for managerial decision making and control, the research results appear to be mixed. From this starting

point we problematize the conceptualizations and measurements of uncertainty used in existing research. Based on our fieldwork in the drug development business, we were able to identify an emerging uncertainty classification typical of that particular business and draw inferences on that basis. The main conclusions are that the standard and abstract notions of perceived environmental (PEU) and task uncertainty (TU) typical of contingency research are for several reasons problematic both conceptually and regarding measurement. Our empirical findings help us to better understand the mixed findings of prior contingency research, which so heavily relies on the standard and abstract notions and measures of uncertainty. The study indicates how important it is to carefully theorize about conceptual constructs, such as uncertainty, based on observations of their actual emergence. At a more abstract level, this paper can be viewed as a critical analysis of the implications of adopting a certain research paradigm in management accounting research, using the notion of uncertainty as an example.

A project entitled "How management control technologies participate in balancing global vs. local tensions" with David Brown (University of Technology Sydney) and Teemu Malmi (Aalto University) extends previous research on the 'balance' or 'balancing effects' of the BSC, as it examines the balancing of tensions between local and global managerial concerns. We know little about the local responses when such managerial technologies, mediating global objectives, enter organizations: how global concerns are translated through hierarchies toward local levels and what kinds of things are localized in various systems in use? And, on the other hand, how local knowledge and experience may be built into management control systems, translating local concerns towards the global level?

A recently started project with Bernhard Wieder (UTS) and Ravi Seethamraju (University of Sydney) addresses management accounting practices in Enterprise Systems environments. The consequences of production and use of management accounting information from these systems and the extent and use of MA techniques embedded in these solutions and their effects on decision making and firm performance are still poorly known. Further research is clearly needed to explain the complex and mutually constitutive nature of the relationship and determine how ES and MA techniques co-evolve. Especially, there is a lack of understanding of the technology itself in the accounting academia: how management control is built into these systems, what is the underlying logic of control(ling) in ES, and what are the consequences of this for managers' actions.

**Joonas Hämäläinen**

Joonas is working on his doctoral dissertation, which focuses on topics in the field of asset pricing and investment management especially. Current work in progress deals with optimal equity portfolio construction; how quantitative techniques and time series forecasting can be utilized in order to build a more efficient investment portfolio.

**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.

**Anna-Maija Lantto**

Anna-Maija Lantto's doctoral thesis in progress deals with the IFRS adoption and its implications. The thesis consists of four essays. Three of the essays are in progress and one is published paper. The first of the essays is under the working title: "Rising to the challenges of IFRS: A case study of IFRS adoption and its implications on reporting practices" and the second is under the title: "Redefining boundaries of financial reporting". The third essay is a case study of the IFRS adoption and its implications on management control. The essay is written together with Hanna Silvola. In addition to these three essays, Anna-Maija has also research project with Henry Jarva (University of Oulu) examining the information content of IFRS versus domestic accounting standards (evidence from Finland). The research project is under review in an international journal.

**Yeng Wai Lau**

Yeng's research in progress, a joint effort with Antti Fredriksson, examines the effects of knowledge structure and accounting standards on auditors' perception and performance. The study is a field experiment, with a working title "Rules versus Principles-Based Standards: Influence of Knowledge Structure". More specifically, the study aims at ascertaining the manner in which individual auditors' knowledge is structured, which in turn, determines auditors' perception and performance, i.e. the extent to which the rules and principles within the accounting standards are perceived as salient. The study also attempts to understand how knowledge of individual auditors at various stages of their ca-



reer is structured for a better understanding of whether reforms, such as the move towards more principles-based IFRS, are necessary for better accounting and auditing practices.

Another research, with the working title “Feasibility of Consistent Principles and Principles-Based Standards”, which is also a joint effort with Antti Fredriksson, critically assesses the accounting principles underlying the recent version of FASB and IASB’s conceptual framework. The accounting principles underlying the conceptual framework constitutes the foundation towards more principles-based standards as well as future convergence of accounting standards. Continuous efforts in improving the accounting conceptual framework as well as standards have not appease on-going criticisms for the framework and standards’ inadequacies. This study aims at critically assessing the fundamental accounting principles and their relationships underlying the conceptual framework for a better understanding of the accounting conceptual framework as well as resultant standards’ consistent failure in living up to expectations.

### **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 management can 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.

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 and Eija Vinnari, which are presented in the respective sections of those faculty members.

### **Hanna Pitkänen**

Hanna Pitkänen's doctoral thesis in progress is entitled "Theorizing formal and informal feedback practices in management accounting through three dimensions". By using a qualitative case study method and a review of literatures acknowledging various aspects of formal and informal feedback in management control, she aims to widen and develop the contemporary cybernetic analyses of feedback in management accounting.

### **Johanna Rämö**

In her doctoral thesis in progress Johanna Rämö studies how the so called reflective intervention methods used for employee competence development effect organizations performance and capability to innovate. With her study Johanna participates in a multidisciplinary research project with several researcher from LUT, TUT and UTA.

### **Hannu Schadéwitz**

Jointly with Frederick Lindahl (George Washington University), 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.

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).

Hannu, jointly with Mikael Niskala studies means for measuring and communicating corporate responsibility. Specifically, they analyze how to transform the concept of corporate responsibility so that it is recognized and valued accurately in a company's financial reporting and analysis. The study includes

also illustrations, developed from actual data, how to communicate corporate responsibility measures in financial reporting.

**Hanna Silvola**

Hanna has an on-going research project under the working title “Goodwill Impairment testing: Trusting numbers about the Future?” together with Ph.D. Jari Huikku and Prof. Jan Mouritsen. It is a case study which aims to examine on how different actors (investors, analysts, business managers, auditors, supervisors, media and academics) construct their views on goodwill and interpret information given by impairments tests.

The second joint project, together with Professor Alnoor Bhimani (LSE), examines tensions between financial control and sustainability strategy. It is a case study which examines on how sustainability strategy is delivered on operational level and how it affects (financial) controllability of the organization.

Hanna has an on-going 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 also joint project on the interplay between global and local knowledge in the ERP environment with Sirle Bürkland (HEC Paris).

Hanna has also conducted a case research project with Anna-Maija Lantto. The paper about IFRS and management control is currently under review in international journal.

**Mika Vaihekoski**

Mika is currently collaborating with several researchers on research projects. He is, for example, involved in a research project titled “Financial Management and Control in Listed Firms” and writing several papers with professor Eva Liljeblom (in charge of the project) from Hanken School of Economics and Tor Brunzell from Stockholm University. He is also studying the historical development of the Finnish stock market and equity premium together with Peter Nyberg from the Aalto University School of Economics. In addition, he is writing a paper, e.g., on the profitability of pairs trading strategy in Finland with John Broussard (Rutgers School of Business).

**Eija Vinnari**

Eija is involved in several joint projects. She collaborates with Prof. Peter Skærbæk (Copenhagen Business School) in the project “The unexpected uncertainties of public sector risk management: A field study of risk management internal audit tools in a Finnish municipality”. Drawing from Actor Network Theory, the paper examines the evolution and performative effects of a municipal risk management model.

Together with Kari Lukka, Eija has developed a framework for exploring the interrelationships between domain theory and method theory in published Actor-Network Theory (ANT) research in management accounting. In another project, Eija and Kari investigate the present state and future potential of combining ANT and interventionist research.

Jointly with Prof. Salme Näsi (University of Tampere), Eija investigates aspects of corporate governance in the public sector context, including the financial knowledge and role of municipal board members.

Finally, together with Dr. Matias Laine (University of Tampere), Eija studies corporate social responsibility reporting and measurement in public water utilities.

## 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.), Bucknell University (USA), 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), China Europe International Business School (China), and Aalto University (Finland).

### 4.2 Foreign Visitors at the Department in 2011

Associate Professor Frederick Lindahl (George Washington University, USA). He contributed to joint research project at the department from 17 May to 5 June and lectured the course LRS4 International Accounting from 23 October to 20 November 2011.

Dr. Paul Brown (University of Technology Sydney, AU) visited the department on 10–12 May and presented his paper entitled “Poverty and Greenhouse Gas Emission Reductions: A Joint Solution” at the departmental research seminar on 11 May 2011.

Professor Michael J. Jones (University of Bristol, UK) participated in the departmental research seminar on 18 August 2011.

Professor Jill Solomon (King’s College London, University of London, UK) visited the department on 10–19 August and presented her joint paper (with A. Solomon, N. L. Joseph and S. D. Norton) entitled “Impression management in private social and environmental reporting: Insights from Erving Goffman” at the departmental research seminar on 18 August 2011.

Professor Kenneth Merchant (Marshall School of Business, University of Southern California, USA) contributed to a joint research project at the department 15–18 May 2011.

Professor Sami Vähämaa (University of Central Florida, Orlando, FL, USA) contributed to joint research project at the department 18–21 January 2011.

#### 4.3 Visits to Foreign Institutes in 2011

Markus Granlund

\* University of Technology Sydney, 12–19 February 2011.

Kari Lukka

\* HEC Paris, France, 10–11 March 2011

\* Macquarie University, Sydney, 1–14 November 2011

Hanna Silvola

\* London School of Economics and Political Science, 4–21 July, 13–22 October, 27–30 October, 3–12 November 2011.

Mika Vaihekoski

\* Higher School of Economics State Research University, Moscow, Russia, 5–12 April 2011

#### 4.4 Participation in International Conferences 2011

Terhi Chakhovich

\* The 34th Annual Congress of the European Accounting Association, Rome, Italy, April 20–22, 2011.

\* Critical perspectives on Accounting, Clearwater, Florida, USA, July 10–12, 2011.

\* The 1st Workshop on Business Ethics, Brussels, Belgium, November 10–11, 2011.

Markus Granlund

\* The 34th Annual Congress of the European Accounting Association: Rome, Italy, April 20–22, 2011.

Kari Lukka

\* Conference on Performance management and management control, Nice, France, September 7–9, 2011.

Hanna Silvola

\* 4rd Workshop on Management Accounting as Social and Organizational Practice, Paris, France, 2011.

\* 34rd Annual Congress of the European Accounting Association, Rome, Italy, 2011.

\* Annual Doctoral Tutorial of Accounting, Tampere, Finland, 2011.

\* Workshop on Financial Accounting as Social and Organizational Practice, London, UK, 2011.

Mika Vaihekoski

\* 20<sup>th</sup> Annual Conference of the European Financial Management Association 2011, Portugal.

\* 9<sup>th</sup> INFINITI Conference on International Finance, School of Business, Trinity College Dublin, 2011.

\* 28<sup>th</sup> International Conference of the French Finance Association (AFFI), Montpellier, France, 2011.

\* XII International Academic Conference on Economic and Social Development 2011, Higher School of Economics, Moscow.

\* The Arne Ryde Workshop in Financial Economics, April 2011.

\* Nordic Finance Network (NFN) Research Workshop in Finance, May 2011.

\* Workshop on China's Monetary and Exchange Rate Policy, Helsinki, Bank of Finland (BOFIT and CEA-Europe), May 2011.

Eija Vinnari

\* 34th EAA Annual Congress, Rome, Italy, April 19–22, 2011.

\* 13th Biennial CIGAR Conference, Ghent, Belgium, June 9–10, 2011.



## 5 PROFESSIONAL AND COMMUNITY RELATIONS

### 5.1 Faculty

#### **Professor Kari Lukka**

American Accounting Association, Management Accounting Section

\* Member of the Publications Committee (until August 2011)

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 University Collegium

\* Member of the Research Council

\* Member of the task force for strategy development

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*, *Schmalenbach Business Review*, *Qualitative Research in Accounting and Management* and *The Finnish Journal of Business Economics*.

**Professor Hannu Schadéwitz**

Editorial Review Boards

- \* *The International Journal of Accounting*
- \* *Corporate Governance: An International Review*
- \* *Business Quest*

Reviewer, including

\* *Abacus, Accounting, Auditing and Accountability Journal, European Accounting Review, The European Journal of Finance, 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 Committee for Research and Doctoral Studies
- \* Member of the Working Group for the Annual Crediting of Publications

**Professor Markus Granlund**

*European Accounting Review*

- \* Associate Editor

*International Journal of Accounting Information Systems*

- \* Associate Editor

*Management Accounting Research*

- \* Member of the Editorial Board

Turku School of Economics

- \* Vice-Director (Research and Doctoral Studies)
- \* Member of the Executive Group
- \* Chair of the Committee for Research and Doctoral Studies
- \* Vice-Chair of the Board

The University of Turku

- \* Member of the Management Committee, Turku Institute for Advanced Studies
- \* Member of the Management Committee, Doctoral Graduate School
- \* Member of the Quality Assurance Committee

The Finnish Doctoral Program in Business Studies (Academy of Finland)

- \* Member of the Board

European Accounting Association, Member of the Board (National Coordinator of Finland), 2011-2014

Reviewer for several journals including *Accounting, Auditing and Accountability Journal*, *Accounting, Organizations and Society*, *Accounting and Business Research*, *British Accounting Review*, and *Journal of Management Accounting Research*.

**Professor Mika Vaihekoski**

*European Journal of Finance*

\* Associate Editor

\* Invited Guest Editor (special issue 5-6/2011).

*International Journal of Portfolio Analysis & Management*

\* Member of the Editorial Board

Reviewer 8/2008–

\* *Emerging Markets Finance & Trade*, *European Journal of Finance*, *European Financial Management*, *the Financial Review*, *Finnish Economic Papers*, *Finnish Journal of Business Economics*, *International Review of Economics and Finance*, *Journal of Banking & Finance*.

External Reviewer for the Appointment of Professors

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

External Reviewer for the Appointment of Associate Professors

\* University of Vaasa, Associate Professorship (tenure) in Business Studies, Accounting, 2011.

External Reviewer for a Doctoral Dissertation and Opponent at the Defence

\* Hanken School of Economics, 2010.

**Assistant Professor Hanna Silvola**

Turku School of Economics

\* Member of the Committee for Research and Doctoral Studies

\* Member of the Committee for Teaching.

European Accounting Association

\* Editor of the EAA Newsletter.

Reviewer 8/2009–

\* *European Accounting Review*; *Management Accounting Research*; *International Journal of Accounting Information Systems*; *International Journal of Accounting*,

Auditing and Performance Evaluation; Journal of Family Business Strategy; British Accounting Review; Qualitative Research in Accounting and Management.

**Lecturer Ulla-Maarit Valve**

Turku School of Economics

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

**Research Associate Hanna Pitkänen**

Turku School of Economics

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

**Postdoctoral Researcher Eija Vinnari**

\* Reviewer: International Review of Administrative Sciences, Journal of Environmental Management

## 5.2 The Department

The Department of Accounting and Finance has created many important connections with auditing firms, like 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 including Nokia, ABB, Amer Sports, Leaf, OP-Pohjola Group, Cargotec, Orion, Ahlström Capital, Rautaruukki and Raisio group, just to name a few.

## 6 ADMINISTRATION

### **The Subject Committee of Accounting and Finance in 2011:**

Kari Lukka, Chairman

Markus Granlund

Hannu Schadéwitz

Mika Vaihekoski

Antti Fredriksson

Hanna Silvola

Ulla-Maarit Valve

Lotta Kaleva

Sini Laine

Julia Salonen

Noora Kedonperä, secretary

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

Kari Lukka, Member of the Board

Ulla-Maarit Valve, Member of the Board

(Markus Granlund, Vice-Chair, not authorized to vote)

## 7 TEACHING PROGRAMS

### 7.1 Students of Accounting and Finance (last 10 years)

Year	A&F as major subject	Total number of students having started on the year
2001	57	240
2002	55	240
2003	59	240
2004	57	240
2005	57	240
2006	57	240
2007	60	240
2008	58	240
2009	64	240
2010	80	240

**Table 1- Accounting and Finance as students' major subject over time**

### 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 intermediate studies)

<b>CODE</b>	<b>COURSE TITLE</b>
LYYA	Bookkeeping (parts I and II)
LRYB	Cost Accounting
LR01A	Financial Accounts and Tax Planning for SME's
LR01B	Special Questions of Bookkeeping and Financial Accounts
LR02	Foundations of Management Accounting
LR03	Basic Corporation Finance
LR04	Accounting and Organizational Decision-making
LR05	Intermediate Finance
LR06	Accounting and Organizational Control
LR07	Special Courses in Accounting
LR07, 1	Accounting of the Public Sector
LR07, 2	Financial Analysis
LR07, 3	Cost Management
LR07, 4	Corporate Responsibility Reporting
LR07, 5	Corporate Restructuring
LR07, 6	IAS/IFRS-financial Analysis Standards
LR09	Accounting Information Systems
LR10	Consolidated Accounts
LR11	The Foundations of Auditing
LRK	Bachelor's Thesis

Table 2 - Courses of Bachelor's Degree in 2011

## 7.2.2 Master's Degree (advanced studies)

<b>CODE</b>	<b>COURSE TITLE</b>
LRS1	Advanced Corporate Finance and Financial Accounting
LRS2	Advanced Management Accounting
LRS3	Special questions in Accounting and Finance
LRS4	International Accounting
LRS5	Advanced Financial Accounting
LRS6	Advanced Auditing
LRS8	Continuous Auditing and IT
LRS10	Financial Risk Management
LRS13	Advanced Management Control Systems
LRS14	Intellectual Capital Measurement and Management
LRS17	Portfolio Theory



LRPG	Master's Thesis
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Table 3 - Courses of Master's Degree in 2011

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

### 7.2.3 Doctoral studies

CODE	COURSE TITLE
LRJ1	Accounting Methodology, Research Tradition and History (parts I and II)
LRJ2	Financial Accounting and Finance or Management Accounting
LRJ3	Special Courses
	Optional advanced studies (not included in one's Master's degree)
LRV	Doctoral Dissertation

Table 4 - Courses for doctoral studies in 2011

The major part of studies for postgraduate students concentrated on Finance, are consisted of the courses offered by the Graduate School of Finance, GSF.

## 8 THESES COMPLETED

### 8.1 Master's Theses Completed 1992–2011

Average number of Master's theses completed (1992–2011) per year: 49, 2

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

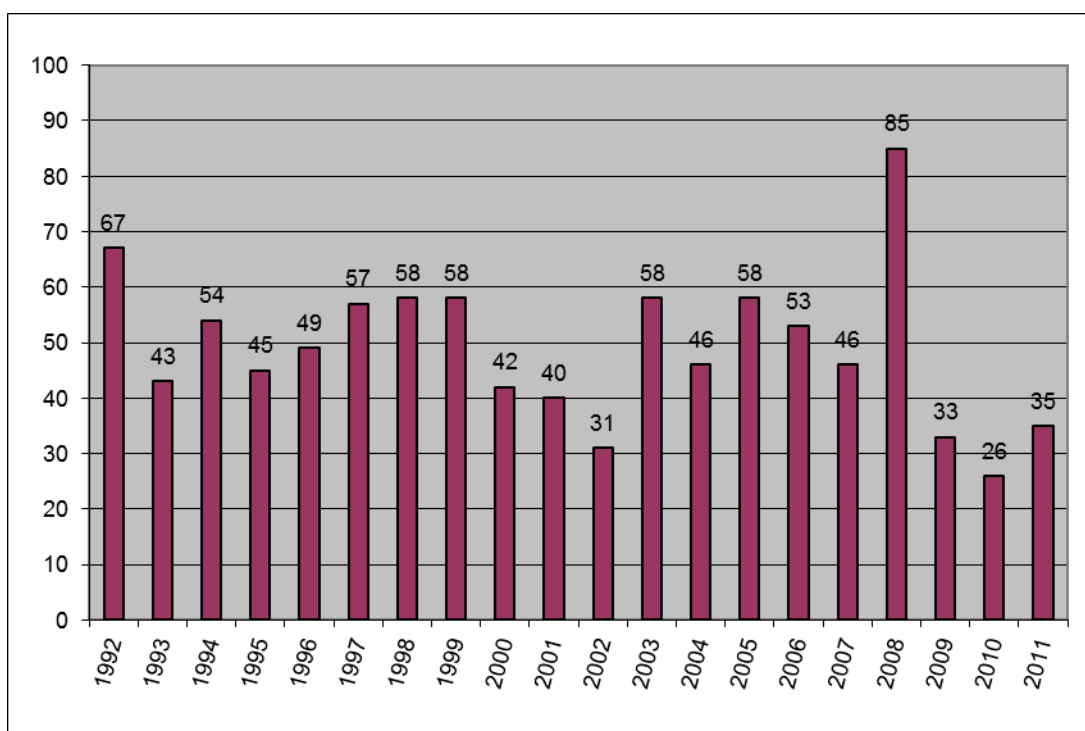


Figure 1 – Completed Master's theses 1992-2011

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