

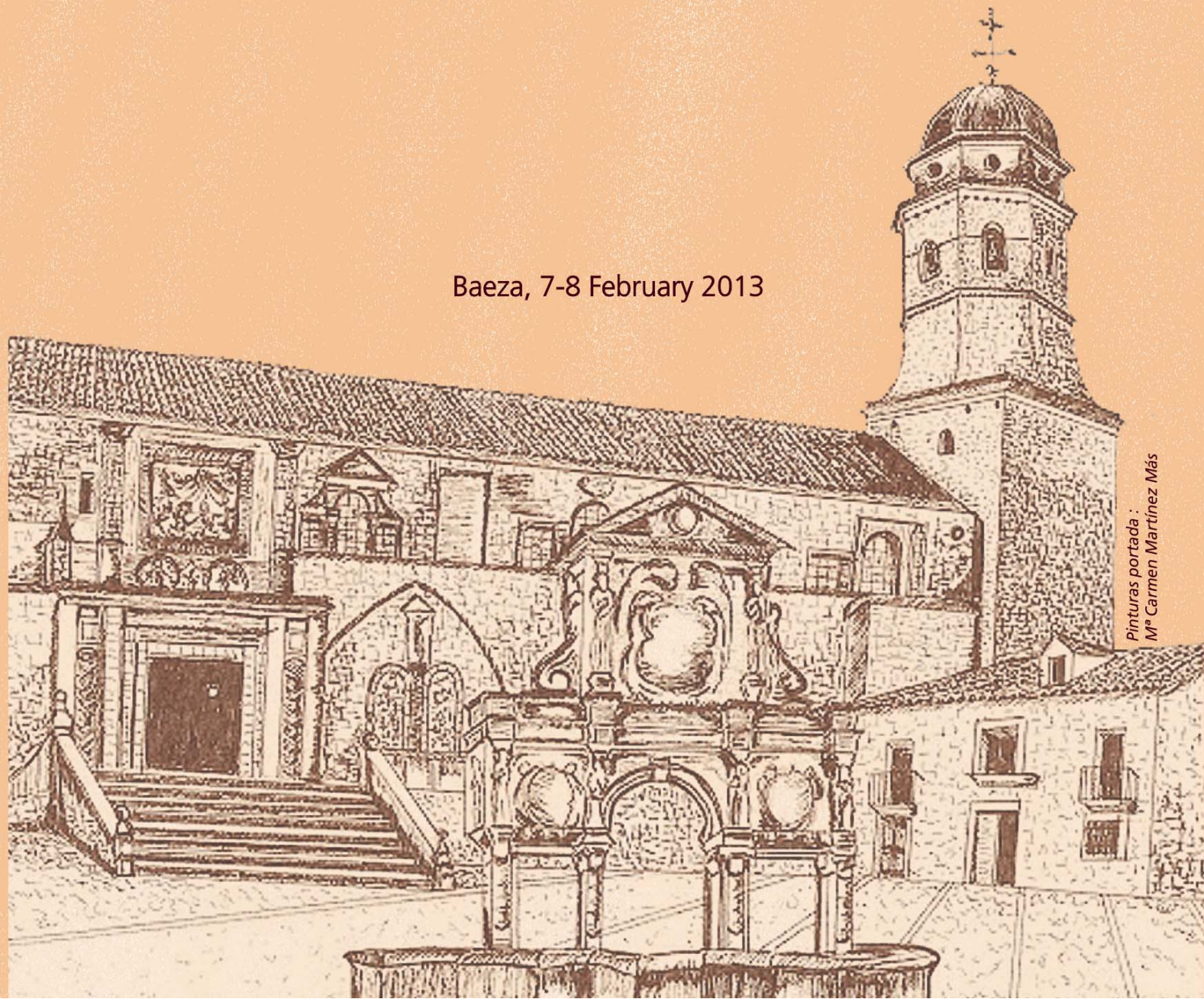


UNIVERSIDAD DE JAÉN

*Departamento de Economía Financiera y Contabilidad*

# 18th Workshop on Accounting and Management Control *Raymond Konopka Memorial*

Baeza, 7-8 February 2013



Pinturas portada :  
Mª Carmen Martínez Más

**18<sup>th</sup>** **Workshop on Accounting  
and Management Control**  
*Raymond Konopka Memorial*

**WORKSHOP BOOK**

**Baeza, 7-8 February 2013**

## FOREWORD

We feel honoured that the ‘Financial Economics and Accounting Department’ of the Universidad de Jaén is organising this 18th Workshop on Accounting and Management Control–Raymond Konopka Memorial in the city of Baeza, a UNESCO World Heritage site. For the next two days we will have the opportunity to explore recent developments in accounting and management control research; hopefully, we will also be able to get a taste of the architectural legacy and the gastronomy of this city.

Firstly, we would like to express our gratitude to all the colleagues taking part in this scientific event: fifty participants delivering twenty four papers and six doctoral projects, which will be presented and discussed by reputed scholars in the field; we are certain that, as has frequently been the case in the past, many of these works will eventually be published by prestigious journals. It is extremely rewarding to witness how, after several workshops, this event still proves to be of interest to a great number of prestigious academics from various institutions all over the world.

We would like to expressly thank the kindness of our guest, key-note, speakers. Professor Begoña Giner (President of the European Accounting Association), from the Universitct de Val³ncia (Spain), will deliver the opening lecture, with the title “El papel del lobbying en el *due process* del IASB: el desarrollo de la NIIF 2” (“The role of lobbying in IASB’s due process: The development of IFRS 2”). Professor Massimo Sargiacomo, from the Università degli Studi G. D’Annunzio Chieti Pescara (Italy) will deliver the lecture “Earthquakes, Exceptional Government and Extraordinary Accounting”, as a tribute to our dear colleague Rafael Donoso; a special lecture in honour of our colleague had already taken place in Segovia in 2012, and will stay as a highlight for future Workshops. We would also like to thank our colleague Vicente Ripoll, from the Universitct de Val³ncia (Spain), for his generous offer to deliver the seminar “Las relaciones universidad-empresa y la transferencia de conocimiento” (“University-business relations and knowledge transfer”), which will certainly prove of great relevance for the task of applying research results and their social impact.

Lastly, we want to thank all the colleagues who kindly accepted our invitation to act as chairpersons; it is because of their generosity that this Workshop will achieve its major aim, namely, to provide illuminating insight to the works presented in the doctoral colloquium and in the eight parallel sessions convened. We would also like to express our deepest gratitude to various institutions for their support, material and otherwise: AECA, the Vice-rectorate for Research and the Faculty of Law and Social Sciences of the Universidad de Jaén, our Research Project SEJ-6828, which is funded by the Andalusian Government, and, last but in no way least, the Antonio Machado campus of the Universidad Internacional de Andalucía, for providing us with their splendid facilities: it is because of their generosity that we have the privilege to welcome you all in this magnificent late 15<sup>th</sup> century building, the Renaissance Palace of Jabalquinto, located right in front of the splendid Baeza Cathedral.

We wish you all a fruitful, productive and pleasant Workshop here in Baeza.

The Organising Committee

## PROGRAMME

### **Thursday, 7 February 2013**

#### **11:45-13:15 Presentation of Doctoral Research Projects (DP1/DP2)**

DP1. Panel: *Nieves Carrera (IE Business School) and Dolores Gallardo Vázquez (Universidad de Extremadura)*

The accounting's role in the university reform in the Vicekingdom of new Granada (1767-1827)

*Carolina Tovar Torres*

Corporate Social Responsibility reporting as a management tool to protect reputation

*Juan García Álvarez de Perea*

Impacto de las memorias de sostenibilidad en el control ejercido por los stakeholders a la gestión social y medioambiental de las empresas

*José Obdulio Curvello*

DP2. Panel: *Manuel Núñez-Nickel (Universidad Carlos III) and Josep M<sup>a</sup> Argilés (Universitat de Barcelona)*

Precio y valor de empresas inmobiliarias europeas cotizadas: evidencias empíricas según los diferenciales entre precio en bolsa y el valor de los activos netos (Net Asset Value)

*Alexander Müller*

La contabilidad de costes en las universidades públicas españolas: evidencia empírica del valor percibido de la información en la toma de decisiones

*María Dolores Sancho*

Análisis de las variables que influyen en el sistema de costes y gestión basado en las actividades (ABC/ABM). Caso de la Autoridad Portuaria de Valencia

*Yolanda Barber Luján*

#### **13:00-13:30 Registration**

#### **13:30-15:00 Reception - working lunch**

#### **15:00-15:15 Welcome address**

#### **15:15-16:00 Plenary session**

El papel del lobbying en el due process del IASB: el desarrollo de la NIIF 2

*Begoña Giner (Universitat de València - EAA President)*

**16:00-17:30 Parallel sessions (P1/P2/P3)**

P1. Chairperson: *Mercedes Barrachina (Universitat de València)*

La orientación a la responsabilidad social cooperativa. Diseño de un instrumento de medida

*Francisca Castilla Polo, Dolores Gallardo Vázquez and Isabel Sánchez Hernández*

Responsabilidad social y administración local: el caso extremeño

*M<sup>a</sup> Teresa Nevado Gil, Dolores Gallardo Vázquez and M. Isabel Sánchez Hernández*

La persistencia del líder y los factores que la determinan en el mercado de auditoría español

*Paula Rodríguez Castro and Emiliano Ruíz Barbadillo*

P2. Chairperson: *Rui Vieira (IE Business School)*

Management control systems as drivers of the relationship between internationalization and organizational performance. An empirical analysis

*Jacobo Gómez Conde, Ernesto López-Valeiras Sampedro and Beatriz González Sánchez*

Effect of interactive use of management control systems on innovative and financial Performance

*Estefanía Rodríguez González, Ernesto López-Valeiras Sampedro, Beatriz González Sánchez and Vicente Ripoll Feliu*

An empirical analysis on the incidence of firm long term strategy of efficiency and tactical flexibility on cost stickiness behavior

*Josep M<sup>a</sup> Argilés, Alejandro Berbegal and Josep Garcia Blandón*

P3. Chairperson: *Salvador Carmona (IE Business School)*

Relevance of accounting information under stakeholder theory

*Alonso Moreno and Macario Cámara*

Experts or rivals: mimicry and voluntary disclosure

*Gilberto Márquez-Illescas, Manuel Núñez-Nickel and Manuel Cano-Rodríguez*

Power and accounting information sharing in sequential supply-chain bargaining

*Gilberto Márquez-Illescas, Susana Gago-Rodríguez and Manuel Núñez-Nickel*

**17:30-18:00 Coffee-Break**

**18:00-18:30 Seminar**

Las relaciones universidad-empresa y la transferencia de conocimiento

*Vicente Ripoll Feliu (Universitat de València)*

**19:00-21:00 Baeza walking tour**

**21:30-23:30 Dinner: Restaurante Juanito (Baeza)**

## **Friday, 8 February 2013**

### **09:30-11:00 Parallel sessions (P4/P5/P6)**

P4. Chairperson: *Fernando Gutiérrez Hidalgo (Universidad Pablo de Olavide)*

War or the Business of God: Sacred Mission, Accounting and Spanish Military Hospitals in the 18th Century

*Juan Baños Sánchez-Matamoros and Warwick Funnell*

Accounting in the Transition from a Medieval to a Modern State. The Case of Spain (1490-1510)

*Miguel Carmona, Nieves Carrera and Salvador Carmona*

Cronyism and Informational Opacity: the Case of Franco's Autocracy

*Susana Gago Rodríguez and Manuel Núñez Nickel*

P5. Chairperson: *Pedro Araújo Pinzón (Universidad de Cádiz)*

Diseño de un mapa de actividades en el Departamento de Cobros de la Autoridad Portuaria de Valencia. Caso de estudio

*Vicente M. Ripoll Feliu, Carmen Tamarit Aznar and Yolanda Barber Luján*

Balanced Scorecards in Italian banks: a research note

*Francesca Francioli*

Metodología y documentos soporte utilizados en la personalización del modelo de contabilidad de costes CANOA adaptado a la Universitat de València. Estudio general

*Mercedes Barrachina, Cristina Crespo, Vicente Ripoll and M<sup>a</sup> Dolores Sancho*

P6. Chairperson: *Francisca Castilla Polo (Universidad de Jaén)*

Responsabilidad social empresarial e innovación: el papel de las políticas públicas en el ámbito regional de Extremadura

*Dolores Gallardo Vázquez and M. Beatriz Corchuelo Martínez-Azúa*

La responsabilidad social empresarial en el sector turístico extremeño: un enfoque cualitativo

*M. Isabel Sánchez Hernández, Dolores Gallardo Vázquez and M. Mercedes Galán-Ladero*

Implicaciones contables de la reforma del sistema financiero español

*María Consuelo Ruíz Rodríguez*

### **11:00-11:30 Coffee-Break**

**11:30-13:00 Parallel sessions (P7/P8)**

P7. Chairperson: *Marta Macías (Universidad Carlos III)*

Accounting, religion and charity: the hospitalidad doméstica

*María Dolores Capelo Bernal and Pedro Araújo Pinzón*

The poly-vocal ability of accounting. The rise and fall of the Spanish system of intendants (1718-1724)

*Juan Baños Sánchez-Matamoros, Manuela Domínguez Orta and Fernando Gutiérrez Hidalgo*

The culturally embedding of risk management: a case study research at Sparta Rotterdam

*Rieuwert Hammerstein and Rui Vieira*

P8. Chairperson: *Manuel Cano Rodríguez (Universidad de Jaén)*

La valoración de suelo como activo tóxico: efecto en los estados financieros

*Esther Falcón-Pérez and Juana Fuentes-Perdomo*

Can earnings management be a warning of integrity for bankrupt companies? Empirical evidence

*María del Mar Camacho-Miñano and Domenico Campa*

Complementary uses of subjectivity in target setting and bonus decisions and performance implications

*Carmen Aranda, Javier Arellano and Antonio Dávila*

**13:00-13:45 Plenary session - *The Rafael Donoso's Memorial Lecture***

Earthquakes, exceptional government and extraordinary accounting

Massimo Sargiacomo (*Università degli Studi G. D'Annunzio Chieti Pescara*)

**14:00-15:00 Lunch. End of the workshop**

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# **ABSTRACTS**

# THE ROLE OF LOBBYING IN THE IASB'S DUE PROCESS: THE DEVELOPMENT OF IFRS 2

**Begoña Giner**

"(Universitat de València)

## Abstract

Lobbying is an essential part of the IASB standard-setting process. The IASB's due process aims interested parties to participate and, among other actions, it invites public comment letters on discussion papers and exposure drafts (IASCF 2006). In this session I discuss the incentives of the interested parties, the time and strategies they follow when do the lobbying, as well as the responsiveness of the IASB to the lobbyist pressure. I refer to the regulation of share-based payments that were under-regulated before IFRS 2, as the case under study due to a number of reasons: huge economic impact, expected conflicting opinions, and the existence of three consultation periods with different characteristics (Giner and Arce 2012). Consistent with the rational-choice model (Sutton 1984), the analysis shows that preparers constituted the most active group, whereas participation of standard-setters increased at the end, which is more consistent with institutional theory (Kenny and Larson 1995). A common strategy was to provide arguments merely on points of disagreement. Preparers and consultants constituted the only groups using economic-consequences arguments to disagree, but later enlisted conceptual arguments as well. Regarding the analysis of influence, the IASB considered only conceptual arguments, and no interested party had a dominant influence what suggests the IASB's due process is pluralistic.

# **EARTHQUAKES, EXCEPTIONAL GOVERNMENT AND EXTRAORDINARY ACCOUNTING**

**Massimo Sargiacomo**

(Università degli Studi G. D'Annunzio Chieti Pescara)

## **Abstract**

Drawing on a mix of oral testimonies with key-actors and other primary sources, this paper, underpinned by Foucauldian notions of governmentality and discipline, analyses the role of a purpose-built accounting apparatus implemented to secure the healthcare of the population of a region of Italy in the wake of a major earthquake. It is suggested that at a moment of crisis, which disrupted the implementation of normal programmes and technologies of government, the institution of a parallel 'extraordinary' accounting system enabled the translation into practice of a governmental plan designed for the exceptional circumstances arising from a seismic event. The analysis illuminates how micro cost-accounting techniques, using a space-time-residence segmentation, specific accounting criteria, schemes, vocabulary and other devices, displayed representational, distributive, translational and incentive properties. The case illustrates that the increasing number of earthquakes and other natural disasters in recent times presents considerable accounting challenges to those developing governmental programmes and technologies in post-seismic contexts.

**KEYWORDS:** accounting, earthquakes, governmentality, healthcare.

# **ORIENTATION TO COOPERATIVE SOCIAL RESPONSIBILITY: DESIGN OF A MEASUREMENT TOOL**

**Francisca Castilla Polo**  
(Universidad de Jaén)

**Dolores Gallardo Vázquez**  
**M. Isabel Sánchez Hernández**  
(Universidad de Extremadura)

## **Abstract:**

The aim of this paper focuses on the concept of the orientation to cooperative social responsibility (OCoopSR) to determine its causal relationship with cooperative outcome. So, a conceptual model is developed based on the academic literature, both constructs (unobservable variables involved) and measurement scales (formed by observable and measurable indicators) are defined, as the assumptions that form a structural model explaining the causal relationships between variables in the case of cooperatives. It is necessary to incorporate this type of companies within the general studies on market orientation, and specifically on social responsibility orientation, concepts already discussed in other organizations, and later to deduce the implications that its analysis may have to obtain better cooperative results. Although cooperative societies not pursue the unique purpose of customer satisfaction or economic outcome, aspects that differentiate them from other companies, the fact of linking orientation to every agents of interest with a view of the result goes beyond financial one, may be of interest in the management of cooperatives, which is the main contribution of the work.

**KEYWORDS:** Social Responsibility, Cooperative Societies, Orientation to Cooperative Social Responsibility, measurement scale.

## **SOCIAL RESPONSIBILITY AND LOCAL GOVERNMENT: CASE OF EXTREMADURA**

**M<sup>a</sup> Teresa Nevado Gil**  
**Dolores Gallardo Vázquez**  
**M. Isabel Sánchez Hernández**  
(Universidad de Extremadura)

### **Abstract**

The recent Law 15/2010 of 9 December regarding Social Responsibility in Extremadura and Project Decree of new onset by establishing the Autonomous Council for the Promotion of Social Responsibility, the office of Social Responsibility, and regulating the procedure for qualification and registration in the Register of socially responsible companies, position the Extremadura government as a space oriented to responsible action and places it at the head of the public sector in promoting Social Responsibility.

These regulations, innovative and pioneering in Spain and the regional level, is one of the agreements contained in the Social and Political Agreement of Reforms for Extremadura, adopted in the Assembly of Extremadura on April 22, 2010, which aims to change the production model in the region to achieve sustainable development, based on values such as equality of opportunity and social and territorial cohesion.

This work focuses on the municipalities, which are immediate means of citizen participation in public affairs, to institutionalize and manage the autonomy interests of the relevant authorities, as stated in the first article of the Law Regulating Local System Rules and the importance of Social Responsibility in the service they provide to the public. In this kind of work, websites are considered to be one of the main resources that public organisms can use to practice and spread his Social Responsibility. By means of a relation of indicators constructed *ad hoc* from the previous literature, there is an analysis of the information about how the Social Responsibility is disseminating through websites of the town halls of Extremadura. The results show that much work is still to be done at local level in this regard.

**KEYWORDS:** Public sector, Social Responsibility, Local Government, E-Government, Responsible Behaviour.

**PERSISTENCE OF LEADERSHIP AND THE FACTORS THAT EXPLAIN IT  
IN SPANISH AUDIT MARKET**

**Paula Rodríguez Castro**  
**Emiliano Ruiz Barbadillo**  
(Universidad de Cádiz)

**Abstract**

Why a firm is the market leader? What factors influence the leadership?. In this paper we analyze the persistence of leadership as a measure of the dynamic Spanish audit market and the factors that explain it. Our results show that it is the audit firm Deloitte which holds hegemony in the general market, and in six of the fourteen sections of the sample. Moreover, contrary to the results of other studies, the level of concentration has a negative effect on the persistence of the leader, which shows the high level of competition among the large international firms, since a higher level of concentration decreases the persistence of leadership. Moreover, and as we expected, the degree of inequality in market shares of the firms participating influences positively; since, the higher the inequality of the market shares, greater stability in the leader's position. And finally, the number of bidders in the market also influences the persistence of leader, in this case, indirectly, so that the lower the number of firms in the market, the leader will possess greater stability.

**KEYWORDS:** Persistence of Leadership, Audit and Concentration.

**MANAGEMENT CONTROL SYSTEMS AS DRIVERS OF THE  
RELATIONSHIP BETWEEN INTERNATIONALIZATION AND  
ORGANIZATIONAL PERFORMANCE. AN EMPIRICAL ANALYSIS**

**Jacobo Gómez Conde**  
(Universidad Autónoma de Madrid)

**Ernesto López-Valeiras Sampedro**  
**María Beatriz González Sánchez**  
(Universidad de Vigo)

**Abstract**

Several previous studies argue that existing research examining the link between internationalization and performance has overlooked potential intermediate variables. In this sense, an inadequate control of the relationship with foreign companies can impair performance of international operations. Therefore, there is the need to adopt management tools to build and improve these relationships. Hence, management control systems (MCS) providing information both internal and external becomes a tool that potentially could enable internationalization to generate competitive advantage.

This paper aims to provide a better understanding of the nature of this relationship. Information was collected through a survey data gathered from senior managers of 231 firms with ten or more employees. The use of diversity MCS is considered as an overall measure that comprises three individual control systems widely used in practice. The results reveal support for the research question suggesting that diversity of MCS mechanisms help to facilitate the impact of internationalization on organizational performance.

**KEYWORDS:** MCS; internationalization; performance.



# **EFFECT OF INTERACTIVE USE OF MANAGEMENT CONTROL SYSTEMS ON INNOVATIVE AND FINANCIAL PERFORMANCE**

**Estefanía Rodríguez González**  
**Ernesto López-Valeiras Sampedro**  
**M<sup>a</sup> Beatriz González Sánchez**  
(Universidad de Vigo)

**Vicente Ripoll Feliu**  
"(Universitcvde Val<sup>3</sup>ncia)

## **Abstract**

Papers within the framework of accounting literature that study the relationship between the use of Management Control Systems, innovative capability performance (ICP) and financial performance present ambiguous results. The aim of this paper is to contribute new empirical evidence to expand knowledge of the nature of this relationship. For this, first, starting from the proposal by Bisbe and Otley (2004), other types of ICP not previously considered are incorporated into that model. In the accounting literature, estimation of ICP has focused on the study of product innovation, ignoring other types of innovative output. Second, a sample of firms belonging to a single industry is used. In contrast to previous studies which use only multi-industry samples, the consideration of a single industry permits extraction of only those aspects of a strictly entrepreneurial character that can better discriminate the results. From a sample of 247 firms, the results obtained suggest that the interactive use of Management Control Systems (iMCS) favours product, process and organisational innovation. However, contrary to expectations, only process innovation acts as a mediator variable between iMCS and financial performance. Nor do we find evidence of the potential moderator effect of iMCS between ICP and financial performance.

**AN EMPIRICAL ANALYSIS ON THE INCIDENCE OF FIRM LONG TERM  
STRATEGY OF EFFICIENCY AND TACTICAL FLEXIBILITY ON COST  
STICKINESS BEHAVIOR**

**Josep M<sup>a</sup> Argilés  
Alejandro Berbegal**  
(Universidad de Barcelona)

**Josep García Blandón**  
(IQS)

**Abstract**

This study performs an empirical analysis on the incidence of the strategies of efficiency and tactical flexibility on long term firms' behavior of cost stickiness. The tradeoff between efficiency and flexibility is an enduring postulate in management literature. There is a competition over firm's scarce resources between flexibility and efficiency. In this study we focus on tactical flexibility and efficiency as the second pole of firm long term strategy.

We use a sample of industrial firms with at least 20 years of data in COMPUSTAT. We start with 37,730 year data observations and identify 140 firms with sticky cost behavior in the whole period and 608 firms with no stickiness. We find empirical evidence that firm long term strategies of efficiency and tactical flexibility significantly influence cost stickiness. The higher the volatility of sales when activity increases, the higher the pattern of cost stickiness of firms. Given that resource adjustment hinders the ability of firms to meet future increases in demand, in the long term firms with the strategic objective of tactical flexibility tend to apply lower adjustment of resources when activity decreases. We also find that the strategic aim of pursuing efficiency apply greater resource adjustment when activity decreases in the long term. They avoid maintaining slack resources despite it may curtail to take advantage of future opportunities.

# **RELEVANCE OF ACCOUNTING INFORMATION UNDER STAKEHOLDER THEORY**

**Alonso Moreno**  
**Macario Cámara**  
(Universidad de Jaén)

## **Abstract**

Based on stakeholder theory, this paper analyses whether annual reports serve to communicate important events of a company with three critical stakeholders: shareholders, workers and customers. To address this issue, we use internal and external information of a Spanish medium-sized brewery company, supplemented through interviews maintained with a representative of each stakeholder. The observation period (1928-1993) bears witness of economic, social and political changes. Our findings show that the annual reports cover unequally the key events related to different stakeholders: most for the shareholders, only a small part for the workers and many for the customers. The analysis shows that the annual report has been a document traditionally focused on shareholders. In the case of the workers, social activities devoted to them were constant in the company, although we can distinguish two different periods related to disclosure. Consequently and conversely to some authors, strategy and disclosure have been quite independent at least until the 1960s. In relation to the customers, the bad news is usually not reflected outward and a more random pattern is observed.

## **EXPERTS OR RIVALS: MIMICRY AND VOLUNTARY DISCLOSURE**

**Gilberto Márquez-Illescas**

**Manuel Núñez-Nickel**

(Universidad Carlos III de Madrid)

**Manuel Cano-Rodríguez**

(Universidad de Jaén)

### **Abstract**

We explore how the decision of revealing information of a particular firm may be influenced by the previous disclosure behavior of other organization in the same industry. Specifically, we verify the existence of this pattern and explore two possible factors motivating it: uncertainty and competition. These two factors simultaneously determine if the organizations imitate expert players or rivals. We empirically disentangled these two effects, identifying their relative influence on the disclosing behavior of firms in the newspaper industry in Spain during the period 1966-1993. To pursue this task, we used a multi-failure Cox's model. Our results show that imitation exists in this setting, and firm's disclosure is driven by the disclosing behavior of expert firms and not by the actions of competitors. We conclude that the imitation of disclosure practices is seen by firms as a mechanism to deal with uncertainty instead of as tool to face competition in the market.

# **POWER AND ACCOUNTING INFORMATION SHARING IN SEQUENTIAL SUPPLY-CHAIN BARGAINING**

**Gilberto Márquez-Illescas**  
**Susana Gago-Rodríguez**  
**Manuel Núñez-Nickel**  
(Universidad Carlos III de Madrid)

## **Abstract**

Our aim was to test the effect of power asymmetries on the sharing of information within the supply chain. Specifically, we challenged the common notion that more powerful partners tend to share less information since they prefer to use other forceful mechanisms in order to improve the outcomes of their negotiations. We used an economical approach to show that economic incentives in the way of delay costs may generate an effect in the opposite direction. In order to test this argument, we conducted an experiment with 448 under-graduated volunteers. Our results confirm that, under the right economic incentives, the probability of disclosing private accounting information increases as the bargaining power held by partners rise up.

**KEYWORDS:** Voluntary Disclosure; Bargaining; Supply Chain, Experiments

# **WAR OR THE BUSINESS OF GOD: SACRED MISSION, ACCOUNTING AND SPANISH MILITARY HOSPITALS IN THE 18<sup>TH</sup> CENTURY.**

**Juan Baños-Sánchez-Matamoros**  
(Universidad Pablo de Olavide)

**Warwick Funnell**  
(Kent Business School – University of Kent)

## **Abstract**

The current work recognises the need to investigate the way in which accounting practices have been important to the activities of religious organisations by analysing the role of accounting and accountability processes in the management of military hospitals by the St John's Order (SJO, hereafter) in 18<sup>th</sup> century Spain.

Interestingly, the SJO maintained a special link with the army for centuries, supporting the injured military personnel for centuries. Notwithstanding the enlightened that managed the government and their aggressive attitude towards the mendicant religious orders in Spain, the SJO managed many military hospitals in the south of Spain. The reasons to understand this relationship are focused on the cheap cost of the daily stay of the injured soldier. As part of this relationship the SJO was required to render accounts to the Spanish government through a strict system of accountability which was developed by the government in 1739. This movement could be considered as not in accordance with the Constitutions of the SJO, which forbade the Order to render accounts to external people.

Consequently, this paper seeks to contribute to the accounting literature by acknowledging the ability of the Niebuhr typology to understand the role played by accounting in the unusual relationships between the SJO and the military. It also aims to explore the attitude of the government and the army towards the need to cut costs in the public finances, in spite of their rejection of the mendicant religious orders, as it was the SJO.

# **ACCOUNTING IN THE TRANSITION FROM A MEDIEVAL TO A MODERN STATE -- THE CASE OF SPAIN (1490-1510)**

**Miguel Carmona  
Nieves Carrera  
Salvador Carmona  
(IE Business School)**

## **Abstract**

This paper examines the role of accounting in the transition from a medieval to a modern society. In this respect, we draw on Bourdieu and Elias' frameworks to focus on the case of the Spanish army during the period of 1490-1510. In particular we investigate the wider contexts of the promulgation of the Military Ordinances of 1494, 1496 and 1503 and their impact on the organization of the Spanish army that fought the wars of Naples (1494-1498; 1500-1504). The ordinances enforced administrative reforms that encompassed substantial accounting and accountability requirements. Drawing on primary sources, our study comprises a three-tier level of analysis. First, our understanding of the social field comprises two institutional actors: the monarchy as representative of the incipient national state, and the army. Second, we address how the administrative reforms affected the interactions between institutional actors. Finally, we examine how accounting and accountability requirements mediated the relationship between key individual actors, such as King Ferdinand and the commander of the Naples mission. The results of our study indicate that administrative reforms implemented accounting and accountability practices, which exerted a lasting influence in the relations between institutional actors and instilling change in medieval understandings of the army and the state at large. In Bourdieu's and Elias terms, accounting shaped the distribution of power within the field. We also showed how accounting was used as mechanism of surveillance and control –allowing the accumulation of coded information used to administer the activities and behavior of individuals.

# CRONYISM AND INFORMATIONAL OPACITY: THE CASE OF *FRANCO'S* AUTOCRACY

**Susana Gago-Rodríguez**  
**Manuel Núñez-Nickel**  
(Universidad Carlos III de Madrid)

## **Abstract**

When governments need to privilege its supporters to maintain their political power they cutback economic information since this disclosure might help identify their level of cronyism and, what is worse, their cronies. For this reason, despite the proclaimed “official line” of transparency, governments not only withhold basic economic information, but also they impede, in the measure of its possibilities, that other institutions can voluntary disclose whichever information that would permit to obtain the same conclusions.

Resting on laws, government documents and publications, we support this general idea by analyzing a special case: the Spanish newspaper industry during the autocracy of General *Francisco Franco* (i.e., from 1939 to 1975). This documentation provides us with evidence that, while cronyism existed in this sector, this political regimen makes all possible to hinder the disclosure of newspaper circulation because this information could easily permit to identify the favors that the sector, in general and certain newspapers in particular were receiving. Disclosure of this information was only authorized after 1966, when this kind of privileges was suppressed.

**KEYWORDS:** Opacity; Autocracy; Proprietary Costs of Cronyism; Accounting History



**DISEÑO DE UN MAPA DE ACTIVIDADES EN EL DEPARTAMENTO DE  
COBROS DE LA AUTORIDAD PORTUARIA DE VALENCIA. CASO DE  
ESTUDIO**

**Vicente M. Ripoll Feliu**  
**Carmen Tamarit Aznar**  
**Yolanda Barber Luján**  
"(Universitvde Val³ncia)

**Abstract**

This study aims to contribute to the improvement of cost and management system in Port Authority, analyzing the alternatives that lead us to implement a management system based on costs and activities.

This project appears with the purpose of responding to the need that the company has had to adapt its internal reporting system used so far, to new market demands and thus obtain higher quality information to achieve a strategic management of costs.

With this application, we can see the amount of information provided in the system and the ease of development and its application in a service business.

The use of the system allows knowing the real cost of the services it provides. Detailed information about your organization, improving the running of the same in terms of effectiveness and efficiency, identifying inefficiencies and improving the profitability and quality of the services rendered.

## **BALANCED SCORECARDS IN ITALIAN BANKS: A RESEARCH NOTE**

**Francesca Francioli**  
(Università degli Studi di Genova)

### **Abstract**

Over the last two decades the balanced scorecard (BSC) has attracted considerable interest in practice as well as in theory. Despite its popularity only a few studies have analyzed Italy, its banking industry and its management accounting practices. The main purpose of this investigation is to provide a picture of the content and use of BSCs in Italian banks showing its features, providing suggestions based on the research results for performance evaluation and serving as a reference for future investigations in this field of research.

Our findings highlight as BSCs are quite diffused and implemented in most of the banks surveyed and its characteristics tend to follow the traditional model originally developed by Kaplan and Norton introducing one perspective devotes only to measure the global risk level of the bank, coherently to the national and international directives of vigilance for instance the Basel Accords). Besides, this investigation highlights as banks employ multi-dimensional models containing both financial and non-financial measures giving more emphasis on financial metrics oriented to the short run, link incentive systems to the objectives contained in BSCs and pay attention to strategic relations among measures, perspectives and company targets. These results, as well as the features of BSCs are discussed and ideas for further research are presented.

**KEYWORDS:** Balanced Scorecard, banks, Italy, implementation, perspectives, measures

**METODOLOGÍA Y DOCUMENTOS SOPORTE UTILIZADOS EN LA  
PERSONALIZACIÓN DEL MODELO DE CONTABILIDAD DE COSTES  
C.A.N.O.A. ADAPTADO A LA UNIVERSITAT DE VALÈNCIA. ESTUDI  
GENERAL**

**Mercedes Barrachina  
Cristina Crespo  
Vicente Ripoll  
M<sup>a</sup> Dolores Sancho**  
" (Universitat de València)

**Abstract**

This paper aims to describe the methodology and supporting documents used during the design and development of cost accounting model in the University of Valencia (UVEG). The customization process undertaken has led to a cost model adapted to the guidelines of the "Analytical Accounting Model for Universities. CANOA Model Particularization, 2011. "The paper makes a comprehensive description of the phases followed, detailing all items and documents the methodology applied both in the collection and the analysis of the data. The results show that the customization process conducted in this university has determined the scope and quality of the model obtained.

**KEYWORDS:** Cost Accounting, Universities, CANOA Model, customization process.

# **CORPORATE SOCIAL RESPONSIBILITY AND INNOVATION: THE ROLE OF PUBLIC POLICIES IN THE REGION OF EXTREMADURA**

**Dolores Gallardo Vázquez**  
**Beatriz Corchuelo Martínez-Azúa**  
(Universidad de Extremadura)

## **Abstract**

Innovation, a source of economic growth and a key to the firms' competitiveness, is an important factor of Social Responsibility (SR) in business. Moreover, it establishes a close link between the legal and social context in which operates. Therefore, the innovative role in the economic and geographic environment has to be observed. The aim of this paper is to analyse how the innovative activity of firms contributes to the SR level in the Autonomous Community of Extremadura (Spain). In this sense, we performed an *ad-hoc* survey focused on specific innovation aspects such as firms' expectation and their future orientation, and the role that public policies play as firm service. We studied a final sample of 777 firms in manufacturing and knowledge-intensive services sectors. The descriptive analysis confirms that Extremadura's firms are restrained to perform innovative activities especially due to their size and the sector they belong to. This study, therefore, shows the need to boost innovation by creating new working strategies through their SR and by raising the awareness of public administration about these issues.

**KEYWORDS:** Innovation, barriers to innovation, public policies of innovation, SME's.

# **CORPORATE SOCIAL RESPONSIBILITY IN THE TOURISM SECTOR IN EXTREMADURA: A QUALITATIVE STUDY**

**M. Isabel Sánchez Hernández**  
**Dolores Gallardo Vázquez**  
**M. Mercedes Galán-Ladero**  
(Universidad de Extremadura)

## **Abstract**

Changes in management thinking have taken place and it is evident the importance of Corporate Social Responsibility (CSR) for the economy overall and organizations individually, given the competitive advantages resulting from its actions. Nowadays the close linkage between CSR and the tourism industry is a fact. Responsible tourism has been defined as the tourism providing better experiences for guests and good business opportunities to enjoy better quality of life through increased socio-economic benefits and improved natural resource management. The 9<sup>th</sup> December 2010, The Autonomous Community of Extremadura defined the Law 15/2010, regulating business social responsibility. It pretended to boost, in a non-coercive way, the responsible behavior of companies. In this context of change and awareness towards a sustainable economy, based on responsible business management, this paper aims to contribute to the generation of relevant information in the study of the perceptions of CSR in the tourism sector in Extremadura. Our analysis is based on the owner-manager´ perceptions about CSR in the tourism sector and how these perceptions may contribute from a positive value generation to the development of activities which themselves are able to create social value. The findings provide important implications for managerial practice. First, tourism managers should be aware of several benefits that can be gained from the certification of responsible behavior. And second, tourism managers need to be more proactive trying to create a network around the former tourism cluster assuming the umbrella of “the responsible tourism brand” to promote the region abroad to gain competitive advantages.

**KEYWORDS:** Corporate Social Responsibility (CSR), Tourism Sector, Regional Development, Extremadura.

# **RECENT DEVELOPMENTS IN THE FINANCIAL SYSTEM: FINANCIAL IMPLICATIONS**

**M<sup>a</sup> del Consuelo Ruiz Rodríguez**  
(Universidad de Jaén)

## **Abstract**

Intermediation function is one of the functions of financial institutions. Channel savings into investment between different interest groups thereof. The changing nature of the current environment leads us to examine the measures taken by the financial system before the economic crisis of recent years and to study their impact on the financial strategies of financial institutions, in an attempt to adapt to change. We analyze the key financial measures taken by the Spanish financial system, the intervention of the New Banking Authority accounting and their impact on the balance sheets of financial institutions.

**KEYWORDS:** Financial institutions, recession, accounting analysis, financial system, financial measures.

**ACCOUNTING, RELIGION AND CHARITY: THE HOSPITALIDAD  
DOMÉSTICA (1792-1810)**

**María Dolores Capelo Bernal**  
**Pedro Araújo Pinzón**  
(Universidad de Cádiz)

**Abstract**

Throughout the last decade, academic literature has highlighted the scarce interest that scholars have shown concerning accounting role in both religious organizations and social protection systems. The prominence of Church social activities throughout history makes the study of a Catholic charity an interesting setting for contributing to the abovementioned gaps. Thus, this paper focuses on the Hospitalidad Doméstica, a charity founded at the initiative of the bishop of Cádiz by the turn of the XIXth century. The aim is two-fold. First, to verify whether its accounting system and the information disclosed had a sacred function for the institution, shedding light about the sacred-secular divide. And, in case that it was sacred, whether this accounting was promoted by the religious beliefs or, on the contrary, was used to reinforce these beliefs and the expected kind behaviours according to them. Second, to study in depth contemporary perception of the purpose of accounting in a social protection system promoted by members of the Catholic Church. The evidence shows that accounting was an ambivalent practice, sacred for some matters and profane for others. As a sacred practice, accounting was used to strengthen and propagate the virtue of charity among the congregation through the revelation of financial and non financial information, collaborating by this mean in the spiritual mission of poor's relief. However, sacred matters as the identity of both poor people and some of their benefactors remained beyond accounting's reach, preventing a full development of the moral function of accounting.

**THE POLY-VOCAL ABILITY OF ACCOUNTING. THE RISE AND FALL OF  
THE SPANISH SYSTEM OF INTENDANTS (1718-1724)**

**Juan Baños-Sánchez-Matamoros**  
**Manoli Domínguez-Orta**  
**Fernando Gutiérrez-Hidalgo**  
(Universidad Pablo de Olavide)

**Abstract**

One of the objectives of the Accounting History is the understanding of the present and future of the accounting events. The aim of this paper is to throw light on the poly-vocal role of accounting. For this aim, we study the settlement, implementation and fall of the *Instrucción de Intendentes* (Instruction for Intendants) at the period 1718-1724 at Spain. We seek to understand the ability of accounting to be immersed in political and economical fights, being so not a neutral matter in the relationships between discourses. From a Foucaultian point of view, accounting fuels dynamics among discourses fighting for the power. Nevertheless, the most of literature is concerned about the disciplinary power of the discourses and the role played, but is scarce the literature on the resistance and dynamics of discourses, and the role played by accounting at such settings.



# **THE CULTURALLY EMBEDDING OF RISK MANAGEMENT – A CASE STUDY RESEARCH AT SPARTA ROTTERDAM**

**Rieuwert Hammerstein**

**Rui Vieira**

(University of Amsterdam Business School)

## **Abstract**

The paper provides a deeper understanding of how Enterprise Risk Management (ERM) is embedded in the culture of organizations. Recent contributions of Mikes (2009) and Arena et al. (2010) focused on the important role of social interaction in the way ERM expresses itself in an organizational context. This important role of social interaction needs further development (Arena et al., 2010). Collier et al. (2007) initiated this by providing a generic picture of the adoption of ERM based on the social constructions of managers and developed a theoretical framework which fits the approach to the concept of culturally embedding risk management. This research enriches the findings of Collier et al. (2007), by conducting a case study research at a professional football organization (PFO), Sparta Rotterdam.

Interviews were held with the complete board and management team and with the chairman of the supervisory board. The theoretical framework of Collier et al. (2007) is used to give explanation on the empirical findings, while at the same time the findings allows to develop the theoretical framework further.

The findings of this case study research reveal that the framework developed by Collier et al. (2007) to a large extent is very useful in analyzing the embeddedness of ERM. However, the influence of the change in organizational culture on the way in which risk management is approached by the organization, that was noticed at Sparta, was not reflected by the framework. Therefore this research presents an adjusted framework, where the influence of organizational culture becomes evident.

This research gives insights in what is meant by the theoretical framework of Collier et al. (2007), by translating it to a real-life setting. Moreover, the research reveals the specific characteristics of the football industry and also shows the strengths and weaknesses of the theoretical framework.

# **THE MEASUREMENT OF LAND AS TOXIC ASSET: EFFECT IN FINANCIAL STATEMENTS**

**Esther Falcón-Pérez**

**Juana Fuentes-Perdomo**

(Universidad de Las Palmas de Gran Canaria)

## **Abstract**

In this paper we analyze what happened with land and its measurement, submissive to an extreme city-planning regulation in Spain. The property-development companies in the top of boom of the sector, the Nineties, considered the city-planning of the land expectations which promoted the land speculation and, consequently, the increase of the housing prices. In addition, banks provided mortgages to property-developers by the value of land, in application of the specific regulation about mortgage measurement.

With this real estate scene, the city-planning legislator dictates a new regulation which aims to end land speculation, stating that the land measurement have to take into account the real situation of the land, not including the possible future city-planning capital gains, breaking with the previous legislation.

So, we question how useful are financial statements of a company that should disclose its true-and fair view, measuring its effective and efficient management or whether should disclose the cyclical variations of the market. In the studied asset the influence of different realities is shown; on the one hand, the city-planning regime, that facilitated the speculative scaling in the property-development and construction industry, and changing later the line followed until the moment; on the other hand, the present economic scene with the action of the government and the deficient situation of banks, which result in a decrease of the land prices.

# **CAN EARNINGS MANAGEMENT BE A WARNING OF INTEGRITY FOR BANKRUPT COMPANIES? EMPIRICAL EVIDENCE**

**María-del-Mar Camacho-Miñano**  
(Universidad Complutense de Madrid)

**Domenico Campa**  
Trinity College Dublin (Ireland)

## **Abstract**

Managers of financial distressed companies are under much pressure when their businesses are close to the risk of bankruptcy because of its negative consequences. Prior literature shows that managers manipulate downward earnings in code law countries due to tax management incentives. However, they might change their attitude due to losses, opting for the opposite way during financial distress situations. This manipulation would be a sign of lack of integrity. The purpose of this paper is to analyse if the integrity of financial statements could condition the outcome of a bankrupt process. Using different proxies for real earnings management (manipulation of sales and manipulation of production costs), manipulation practices are tested on a matched sample of 2,064 Spanish bankrupt and healthy companies. The results indicate not only that, on average, firms involved in a bankruptcy procedure manipulate earnings more than healthy ones but also that the outcome of this process affects the evidence provided as only firms which received a 'liquidation' decision actually manipulate earnings more than their pairs. This paper helps to shed light on the consequences of earnings management on the integrity of financial reporting among companies in a bankruptcy process and could be a signal for stakeholders of the existence of an effective bankruptcy procedure in Spain.

**KEYWORDS:** integrity, earnings management, bankruptcy procedure, ex-post bankruptcy analysis, liquidation, reorganization.

## **COMPLEMENTARY USES OF SUBJECTIVITY IN TARGET SETTING AND BONUS DECISIONS AND PERFORMANCE IMPLICATIONS**

**Carmen Aranda**  
**Javier Arellano**  
**Antonio Dávila**  
(Universidad de Navarra)

### **Abstract**

This paper examines the relationship between target setting and subjective bonus decisions in budget-based contracts, and its association with performance. Based on organizational justice and goal setting theories, we hypothesize that supervisors take into account the employees' bonus expectations as well as the difficulty of the target set at the beginning of the year when deciding subjective bonuses. Using data from 390 branches from 2003 to 2006 of a large travel retailer (1,282 branch-year observations), we find that subjective bonus is positively associated with expected objective bonuses. We also find that branches that had more difficult beginning-of-year targets receive higher subjective bonus at the end of the period. Our results also indicate a positive association between subjective bonus and next period's improvement in performance. This finding is consistent with managers using subjective bonuses to improve perceived organizational justice with the objective of enhancing employees' commitment going forward.

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# NOTES