ADVANCES IN MANAGEMENT ACCOUNTING

Edited by Laurie L. Burney

ADVANCES IN
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VOLUME 32

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Advances in Management Accounting (*AIMA*) is a publication of quality, applied research in management accounting. The journal's purpose is to publish thought-provoking articles that advance knowledge in the management accounting discipline and are of interest to both academics and practitioners. The journal seeks thoughtful, well-developed articles on a variety of current topics in management accounting, broadly defined. All research methods including survey research, field tests, corporate case studies, experiments, meta-analyses, and modeling are welcome. Some speculative articles, research notes, critiques, and survey pieces will be included where appropriate.

Articles may range from purely empirical to purely theoretical, from practice-based applications to speculation on the development of new techniques and frameworks. Empirical articles must present sound research designs and well-explained execution. Theoretical articles must present reasonable assumptions and logical development of ideas. All articles should include well-defined problems, concise presentations, and succinct conclusions that follow logically from the data.

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INTRODUCTION

This volume of *Advances in Management Accounting* (*AIMA*) represents the diversity of management accounting topics, methods and author affiliations, which form the basic tenets of *AIMA*. Included are papers on traditional management accounting topics such as employee performance, control and managerial decision-making, as well as those on broader topics of interest to management accountants of trust, environmental uncertainty and sustainability; issues of importance to academics regarding appropriateness of performance measures are also included. The articles in this volume employ a wide variety of methods including interviews and archival data analysis. Finally, the diversity in authorship is apparent with affiliations from Australia, the Netherlands, Germany, and the United States.

This volume begins with a study by van Veen-Dirks and Giliam that uses semi-structured interviews to investigate the vertical management control packages between local governments and public sector joint ventures. Specifically, the authors test alliance level determinants of control and perceived risk. The effects of parent size, diversification and output measurability on control are included in this examination of behavioral uncertainty, environmental uncertainty and asset specificity on perceived risk.

In the second article, Golden, Kohlbeck and Rezaee examine whether environmental, social and governance (ESG) sustainability factors are associated with cost stickiness. Primary findings are that sticky corporate social responsibility (CSR) activities are associated with cost stickiness, but non-sticky CSR attributes are not. In addition, CSR strengths and concerns are both associated with sticky selling, general and administrative (SG&A) costs; however, only CSR strengths are associated with sticky operating costs. The study also finds that ESG sustainability disclosure scores are high when both CSR and costs are sticky.

In a further investigation of cost stickiness, in the next article, Gray investigates an existing research gap in the cost stickiness literature. Namely, the study examines whether lease costs, in the setting of retail firms, are sticky and behave similar to other operating expenses. Cost stickiness implies that costs do not decrease as fast when revenues decline compared to cost increases relative to revenue increases. Several early studies have shown that SG&A costs as a whole, or components of SGA costs, exhibit stickiness in relation to revenues; however, this study examines a unique perspective regarding whether the same follows for leasing costs.

Loy and Hartlieb continue our learning about cost stickiness by exploring the role of sunlight-induced mood on managerial resource adjustment decisions. A distinguishing feature of this premise is that weather and mood are transitory phenomena, whereas the determinants of sticky costs established in the prior literature are largely persistent. The results support that daily sunlight is associated with sticky costs, in a large sample spanning many years, geographical areas and industries. The choice of control variables and error clustering by industry are thoughtful and appropriate elements of the analysis. Happier managers are less likely to make cuts when the firm is experiencing a downturn. The authors attribute this result to a managerial "status quo bias," which is in line with the "mood-maintenance" and "affect-as-information" hypotheses from social psychology.

Malina and Tucker address a critical dilemma in academia that has become particularly sensitive in the past two decades. The increased competition among universities (business schools in particular), driven by accreditation bodies and rankings, has put the measurement of research quality and efficiency at the forefront of academic interests. However, as the authors rightly note, the extent to which various research performance measures truly reflect the relevance or impact of academic research efforts is questionable. Dysfunctional metrics employed by universities have led to manipulations in building academic citation counts, not to mention the growth in the number of specialized journals with self-citation requirements. University tenure criteria have further spurred the short-termism of academics trying to demonstrate their research productivity (more than the relevance). This discussion is therefore highly relevant.

In the final article, Ghosh, Huang and Sun hypothesize and find that managerial ability is positively associated with employee productivity. They further find that managerial ability has the greatest impact on employee productivity for firms in financial distress and those operating under high environmental uncertainty. The authors' proxy for managerial ability was developed by Demerjian et al. (2012) using data envelope analysis.

The six articles in Volume 32 represent relevant, theoretically sound and practical studies that extend our knowledge within the management accounting discipline. These articles manifest the journal's commitment to providing a high level of contribution to management accounting research and practice.

Laurie L. Burney
Editor