



## Track 43:

### Shareholder- versus Stakeholder-Oriented Accounting Practices

**Note:** Papers accepted for the EURAM 2010 –Track 43: “Shareholder- versus Stakeholder-Oriented Accounting Practices” are cordially invited to be also submitted to a Special Issue of the Review of Managerial Science (<http://www.springer.com/business/journal/11846>). Papers, that are accepted for presentation in other tracks of the conference and which address issues that fall under the subject of the special issue, are also welcome. For information about the Special Issue see below.

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#### Abstract

In the last decade many efforts have been made to strengthen corporate governance, to increase the information content of accounting and to implement performance management systems, which focus not only on financial but also on non-financial measures. Numerous regulatory initiatives on an international and national level were undertaken to enhance information for investors and to restore investors' confidence in managerial decision-making (e.g. IFRS, Sarbanes-Oxley Act, European Corporate Governance Codices). Furthermore, also managerial accounting was increasingly aiming to reduce opportunistic behaviour of managers (e.g. by sophisticated incentive schemes). Many accounting reforms in the past decade were influenced by the idea of promoting a greater shareholder-orientation. This trend was bolstered by the assumption that shareholder orientation also constituted a systemic competitive advantage of Anglo-saxon countries, as compared to e.g. Japan and Germany.

However, additionally a greater stakeholder-orientation in accounting regimes is emerging. Performance management systems, like the balanced scorecard, are not only directed towards improving management control systems, but stressed also the relevance of non-financial indicators. Social, environmental and ethical accounting (e.g. Global Reporting Initiative, OECD-Guidelines for multinational companies, EU-initiatives for CSR-Reporting) are influenced by a stakeholder approach. Among the objectives of these initiatives is to reduce the information asymmetries not only for the shareholders but also for other stakeholders. Accounting reforms, which promote a triple bottom line are also aiming at influencing managerial behaviour and to put social and

environmental aspects of corporate behaviour higher on the agenda. Paradoxically, against the backdrop of the current financial crisis the stronger stakeholder-orientation of European economies is often seen as an advantage in terms of social sustainability and legitimacy.

Today we witness not only an audit explosion but also a reporting explosion. Therefore the track addresses two sets of questions:

Firstly, the track focuses on how the shareholder-oriented accounting practices affect managerial behaviour. How strong is the theoretical basis and the empirical evidence that information asymmetries for shareholders are really reduced by the past decades reforms? Have these reforms led to a greater shareholder-orientation in management practices or are they an example of rhetorical management. How did these practices actually change systems-level performance in terms of productivity, efficiency and innovativeness?

Secondly, we want to discuss if and how financial and managerial accounting might profit from a greater stakeholder-orientation. Does the current financial crisis call for a greater stakeholder-orientation in accounting practices? How successful are efforts to introduce a greater stakeholder-orientation into accounting requirements? Do these approaches influence management practices and do they improve the decision quality? Would world-wide accounting standards which are guided by a stakeholder-orientation be a benefit?

Empirical and theoretical papers related to the following topics are particularly welcome:

- Impact of shareholder and stakeholder accounting regimens on managerial decision-making
- Performance of accounting schemes with respect to reducing information asymmetries
- Comparative studies on systemic effects of accounting schemes
- Individual and social costs and benefits of extended reporting requirements
- Stakeholder-orientation and managerial accounting practices
- International comparative studies on stakeholder-oriented accounting practices

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## **Review of Managerial Science – Special Issue**

### **Shareholder- versus Stakeholder-Orientation in Managerial Decision Making**

#### **Special Issue Editors**

Friederike Wall  
Dorothea Greiling  
Carsten Herrmann-Pillath

The debate on shareholder- versus stakeholder-orientation in managerial decision-making is intensified by the recent crisis. Managerial decision-making is not only affected by information managers esteem directly relevant for decision-making but also by information provided to shareholders and/or stakeholders about the results of managerial decisions. Among the information affecting managerial decision making, financial and managerial accounting numbers play an important role.

The special issue of the Review of Managerial Science addresses two main topics:

1. *Interaction of shareholder-oriented information and managerial decision-making:*  
Are information asymmetries for shareholders really reduced by the past decades reforms? Have these reforms led to a greater shareholder-orientation in management practices or are they an example of rhetorical management. How did these practices actually change systems-level performance in terms of productivity, efficiency and innovativeness?
2. *Effects of stakeholder-oriented information on managerial decision-making:*  
Does the current financial crisis call for a greater stakeholder-orientation in information systems in general and accounting practices in particular? How successful are efforts to introduce a greater stakeholder-orientation into accounting requirements? Do these approaches influence management practices and do they improve the decision quality?

Empirical and theoretical papers related to these topics are particularly welcome.

**Authors whose paper was accepted to Track 43 or other tracks related to the topic are cordially invited to submit their paper to the Special Issue of the Review of Managerial Science. Ideally, authors would reflect the discussions on their paper at the conference in their submission to the Special Issue. For publication, the papers will go through a shortened review process. For questions, please contact [friederike.wall@uni-klu.ac.at](mailto:friederike.wall@uni-klu.ac.at)**