The Effects of Formal and Informal Controls on Organizational and Market Risk

Friday and Saturday, March 31 & April 1, 2017

General Information

As the financial crisis of 2007-2008 and the Great Recession have demonstrated, risk-taking by managers can have drastic consequences not only for their own firms but also for markets and economies. The purpose of this conference is to bring together academic researchers at the frontier of research examining the effects of formal and informal controls on risk-taking behavior. The program will include a keynote speaker and 8 research papers that use experimental, archival, or theoretical methods to advance our understanding of the effects of formal and informal controls on organizational and market risk. A small number of review papers may also be included in the program. The goal of the conference is to encourage the application of multiple perspectives to stimulate dialogue between researchers and policy makers. The keynote speaker for the conference is Paul Fischer of the Wharton School.

Organizers

Organizers of this conference include Xiaohua Fang, Matthew DeAngelis, Michael Majerczyk, Douglas Stevens (Chair), and Ivo Tafkov of the School of Accountancy at Georgia State University.

Contact Douglas Stevens at dstevens11@gsu.edu with questions about the symposium’s program, and CEAR at cear@gsu.edu with questions regarding participation and logistics.

Sponsors and Funding

The conference is funded by the Center for the Economic Analysis of Risk (CEAR, cear.gsu.edu) and the School of Accountancy (accountancy.robinson.gsu.edu), both located in the J. Mack Robinson College of Business at Georgia State University.

Dates & Times

Friday, 3/31 – 12:00pm to 6:00pm. Lunch and refreshments will be provided by CEAR, with a dinner to follow for invited guests.

Saturday, 4/1 – 9:00am to 3:15pm. Continental breakfast, lunch, and refreshments will be provided by CEAR.

Please list any special dietary needs while registering for the symposium or contact CEAR at cear@gsu.edu for special dietary needs.

Location

The symposium will be held at the Georgia State University Buckhead Center, in Room 1203 on the 12th floor of Tower Place 200, 3348 Peachtree Rd. NE, Atlanta, GA 30326. Detailed directions are below and can be found on the Buckhead Center's page.
Directions

**MARTA Subway:**

Take the North Springs line (Red Line) to the Buckhead N7 Station; follow the first exit out of the station and turn right on Peachtree Road (away from Lenox Square Mall); turn right again immediately after the Capital City Plaza building (before Fresh 2 Order Restaurant); follow the sidewalk on the left – it will lead you around to the front entrance of Tower Place 200.

One-way Rail Rides cost $2.50. Tickets can be easily purchased from vending machines at all MARTA stations. This is by far the easiest method, and is on a direct line to Atlanta International Airport. Here is a map of the [MARTA rail system](#).

**Driving:** (use the following address – **Tower Place Drive NE 30326**)

**From SOUTH of Atlanta:** Follow I-85 North to GA 400. Exit at Lenox Road (first exit, before the toll plaza). Stay in the far left lane and turn left off the exit onto Lenox Road. At the next light, turn left onto Tower Place Drive NE. (On the Border Mexican Restaurant will be located on the left.) Remain in the left lane through both stop signs. Continue straight to the entrance of the Tower Place 200 parking garage.

**From NORTH of Atlanta on I-85:** Take I-85 South to the North Druid Hills exit. Turn right onto North Druid Hills Road. Go through two traffic lights. Stay in the left lane and continue straight onto E. Roxboro Road at the split. Turn left onto Peachtree Road. Turn right onto Lenox Road/Paul Coverdell Memorial Parkway. After you cross GA 400, turn left at the first light onto Tower Place Drive NE. (On the Border Mexican Restaurant will be located on the left.) Remain in the left lane through both stop signs. Continue straight to the entrance of the Tower Place 200 parking garage.

**From NORTH of Atlanta on I-75:** From I-75 South, take Exit 251 for I-85 North toward Greenville. Merge onto I-85. Take Exit 87 onto GA-400 N toward Buckhead. Take the Lenox Road exit and turn left. Turn left at the first light onto Tower Place Drive NE. (On the Border Mexican Restaurant will be located on the left.) Remain in the left lane through both stop signs. Continue straight to the entrance of the Tower Place 200 parking garage.

**From NORTH of Atlanta on GA-400:** Take 400 South. Follow Exit #2 GA 141 Connector to Buckhead. Make a right onto Lenox Road. At the next light, turn left onto Tower Place Drive NE. (On the Border Mexican Restaurant will be located on the left.) Remain in the left lane through both stop signs. Continue straight to the entrance of the Tower Place 200 parking garage.

**From Peachtree/Piedmont Roads:** From Peachtree, turn north on Piedmont Rd. (If coming south on Peachtree, turn right on Piedmont. If coming north on Peachtree, turn left on Piedmont.) From Piedmont Road, turn onto Lenox Road. At the first light, turn right onto Tower Place Drive NE. (You will see On The Border Mexican Restaurant as a landmark.) Remain in the left lane through both stop signs. Continue straight to the entrance of the Tower Place 200 parking garage.

**Parking (one option)**

The Tower Place 200 parking deck rate is $2 every 30 minutes, with a maximum daily rate of $18. Validation tickets will be arranged for presenters, discussants, and registered conference participants. An attendant is on duty until 8 pm on weekdays only. A payment machine is available after hours.

After you have parked, take the garage elevator down to the ground level – this will lead you directly into the lobby of Tower Place 200. Once in the lobby of the building, take the lobby elevator to the 12th floor, Room 1203.
**Lodging**

All presenters and discussants must make lodging requests directly with Mark Schneider at ce@gsu.edu. CEAR recommends lodging at the **DoubleTree by Hilton Hotel – Buckhead** or the **Courtyard Atlanta Buckhead**; both are within walking distance to The Buckhead Center. For all attendees needing lodging, please make reservations directly on the hotel’s website.

**Confirmed Attendees**

Doug Stevens (chair)  
Matt DeAngelis (co-organizer)  
Xiaohua Fang (co-organizer)  
Michael Majerczyk (co-organizer)  
Ivo Tafkov (co-organizer)  

**Keynote Speaker**

Paul Fischer (Wharton School of the University of Pennsylvania)  

**Presenters**

Heba Abdel-Rahim (University of Toledo)  
Herita Akamah (University of Nebraska – Lincoln)  
John Campbell (University of Georgia)  
Jeremy Douthit (University of Arizona)  
Tobias Gesche (University of Zurich)  
Robbie Moon (Georgia State University)  
Mark Penno (University of Iowa)  
Pinky Rusli (University of Kentucky)  

**Discussants**

Kris Allee (University of Arkansas)  
Margaret Christ (University of Georgia)  
Gary Hecht (University of Illinois)  
Frank Heflin (University of Georgia)  
Robert Knechel (University of Florida)  
Jason Kuang (Georgia Institute of Technology)  
Douglas Stevens (Georgia State University)  
Donnie Young (Georgia Institute of Technology)
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<tr>
<td>12:00 – 12:45</td>
<td>Lunch (provided)</td>
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<td>Welcome and Administrative Announcements</td>
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| 13:00 – 14:00| “Endogenous Selection of Informal Controls in Participative Budgeting: An Experimental Examination of Trust, Distrust, and Trustworthiness”  
Presented by: Jeremy Douthit (University of Arizona)  
Discussant: Margaret Christ (University of Georgia) |
| 14:00 – 14:15| Break                                                                |
Presented by: Herita Akamah (University of Nebraska – Lincoln)  
Discussant: Robert Knechel (University of Florida) |
| 15:15 – 15:30| Break                                                                |
| 15:30 – 16:30| “A Theory of Assurance: Balancing Costly Formal Control with Tone at the Top”  
Presented by: Mark Penno (University of Iowa)  
Discussant: Douglas Stevens (Georgia State University) |
| 16:30 – 16:45| Break                                                                |
| 16:45 – 17:45| “The Effect of Management Style on Risky Reporting Choices: A Motivational Focus Perspective”  
Presented by: Pinky Rusli (University of Kentucky)  
Discussant: Gary Hecht (University of Illinois) |
<p>| 17:45 – 18:00| Walk to dinner location (invited guests only)                        | Location: TBA |
| 18:00 – 19:00| Introductions &amp; Reception (invited guests only)                      | Location: TBA |
|              | Keynote by Paul Fischer (Wharton School) (invited guests only)       |
| 19:00 – 21:00| Dinner (invited guests only)                                         | Location: TBA |</p>
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| 09:30 – 10:30 | “Bias in the Crowds? An Examination of Whether Financial Positions Affect Investor Perceptions of Stock Opinions Transmitted Through Social Media”  
|           | Presenter: Robbie Moon (Georgia State University)                    |
|           | Discussant: Frank Heflin (University of Georgia)                     |
| 10:30 – 10:45 | Break                                                                |
| 10:45 – 11:45 | “The Effect of Risk Management Systems on Honesty in Managerial Reporting: An Experimental Examination”  
|           | Presenter: Heba Abdel-Rahim (University of Toledo)                   |
|           | Discussant: Jason Kuang (Georgia Institute of Technology)            |
| 11:45 – 12:45 | Lunch (provided)                                                     |
| 12:45 – 13:45 | “CEO Severance Pay and Corporate Tax Avoidance”                      
|           | Presenter: John Campbell (University of Georgia)                     |
|           | Discussant: Kris Allee (University of Arkansas)                      |
| 13:45 – 14:00 | Break                                                                |
| 14:00 – 15:00 | “Persistent Bias in Advice-Giving”                                   
|           | Presenter: Tobias Gesche (University of Zurich)                      |
|           | Discussant: Donnie Young (Georgia Institute of Technology)           |
| 15:00 – 15:15 | Closing remarks – Conference adjourns                                |