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Forschungsbericht 2018

Lehrstuhl BWL, insb. Unternehmensrechnung und Controlling

LEHRSTUHL BWL, INSB. UNTERNEHMENSRECHNUNG UND CONTROLLING

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1. Leitung

Prof. Dr. Barbara Schöndube-Pirchegger

2. HochschullehrerInnen

Prof. Dr. Barbara Schöndube-Pirchegger

3. Forschungsprofil

Die Forschungsprojekte am Lehrstuhl befassen sich mit der Analyse von Verhaltenssteuerungsproblemen bei asymmetrischer Information und strategischer Interaktion in Unternehmen. Zentrale Themen sind die Wahl und der geeignete Einsatz von Performancemaßen, unter besonderer Berücksichtigung von Rechnungswesengrößen, die Analyse von Corporate Governance- und Organisationsstrukturen sowie die Kontrolle von Informationsströmen im Unternehmen.

Methodisch kommen spieltheoretische, empirische sowie experimentelle Ansätze zur Anwendung.

4. Kooperationen

- Dipl.-Kfm. Tim Hensel
- Dipl.-Kfm. Tim Hensel, Leibniz Universität Hannover
- Dipl.-Kfm. Tim Hensel, Universität Hannover
- M.Sc. Nicola Bethmann, Leibniz Universität Hannover
- M.Sc. Nicola Bethmann, Universität Hannover
- Prof. Dr. Christian Lukas
- Prof. Dr. Christian Lukas, Friedrich-Schiller-Universität Jena
- Prof. Dr. Guido Voigt, Universität Hamburg
- Prof. Dr. Jens Robert Schöndube
- Prof. Dr. Jens Robert Schöndube, Leibniz Universität Hannover
- Prof. Dr. Jens Robert Schöndube, Universität Hannover

5. Forschungsprojekte

Projektleitung: Prof. Dr. Barbara Schöndube-Pirchegger
Kooperationen: Prof. Dr. Jens Robert Schöndube
Förderer: Haushalt - 01.07.2017 - 31.12.2020

Equilibrium disclosure and the value of accounting information in a tournament

In this project we analyze a principal's disclosure incentives in a tournament setting. A principal hires two agents to perform two tasks each. The principal can install an information system that with some probability provides him with a signal about the agent's productivities. The signal is predecision information in the sense that if the principal reports the signal to the agents, it affects their effort allocation. Having installed the information system, the principal may have an incentive to withhold the signal if its disclosure induces the agents to choose a more balanced effort allocation. The reason is that the principal prefers the agents to specialize in one task while the agents prefer a more even allocation of effort due to convex disutility of working hard. We investigate how this conflict of interest affects equilibrium disclosure incentives. Furthermore, we analyze the value of the information system for the principal and derive necessary and sufficient conditions for the information system having positive value.

Projektleitung: Prof. Dr. Barbara Schöndube-Pirchegger
Kooperationen: Prof. Dr. Jens Robert Schöndube
Förderer: Haushalt - 01.07.2015 - 31.12.2019

Full versus Partial Delegation in the Presence of an Incongruent Performance Measure

We consider a moral hazard type agency problem. Two tasks need to be performed within the agency. The risk neutral principal can either delegate both tasks to an agent or perform one of the tasks himself. As the principal's surplus is not contractible by assumption, the incentive contract offered to the agent needs to be based on an incongruent performance measure. Agency costs arise from a risk and incentive trade-off as well as from a congruity problem.

Establishing that the relation of sensitivity to productivity ratios to one another in both tasks is crucial for the delegation choice, we obtain the following results: Full delegation dominates partial delegation in settings where scaling of incentives effectively reduces agency costs and cost of risk is moderate. Partial delegation is preferred if alignment of incentives reduces the congruity problem and becomes increasingly favorable the higher the cost of risk.

Projektleitung: Prof. Dr. Barbara Schöndube-Pirchegger
Förderer: Haushalt - 01.06.2018 - 01.06.2022

Internal and External Hiring of Employees- Costs and Benefits

A firm that has an open position to fill can typically choose from various candidates. In particular, it can decide to promote some employee from inside the firm or, alternatively, hire a candidate from outside. Empirical observations show that both, internal and external hiring, takes place on various levels of hierarchy.

In this project, we investigate what drives the choice of either external or internal hiring. Moreover, we analyze the consequences of that choice for incentive contracting.

To do so, we assume that internal candidates are better informed about the firm itself, the position to fill and the possible achievements from filling the position as opposed external candidates. From that perspective, the choice for an internal versus an external candidate boils down to the question of whether to hire someone with more or less private information trading off more information and larger information asymmetry against less information combined with less information asymmetry. Formally, we compare an agency problem with moral hazard and adverse selection to a pure moral hazard problem.

Early results show that it depends critically on the differences in types whether hiring an internal or an external candidate results in higher expected payoffs for the firm. The same is true for the optimal intensity of incentives

provided.

Projektleitung: M.Sc. Dominic Jamm
Förderer: Haushalt - 01.01.2017 - 01.01.2021

Intra-Organizational Knowledge Creation and Sharing in a Principal-Agent Setting

In the resource-based view of the firm, organizational knowledge and expertise are recognized as primary drivers of continuous innovation and competitive advantage. However, as an intangible resource knowledge resides within individuals who personally value their skills and therefore have an implicit incentive to keep knowledge private. Consequently, it is necessary for organizations to provide adequate rewards to control the diffusion and utilization of knowledge among their employees. The purpose of this paper is to develop and analyze a reward structure that motivates agents to generate additional knowledge and subsequently share it with co-workers. In this context, creation and sharing are considered costly actions that, in turn, decrease the cost of providing an output-oriented effort. The optimal incentive structure is derived to balance the explicit incentives of monetary rewards and the implicit benefits associated with a higher level of private knowledge. The model suggests that organizations need to choose whether they want to emphasize either the creation or dissemination of knowledge. The optimal effort level for sharing knowledge depends not only on an agent's personal incentive, but more importantly on the marginal productivity and the incentive of other agents to efficiently apply the shared knowledge. However, stronger incentives to generate knowledge have a detrimental effect on each agents' willingness to share and vice versa. The findings in this paper should help to further understand organizational learning and the transfer of developed knowledge. Furthermore, it provides insights into the trade-off between the creation and sharing of knowledge, which should aid managers to better design incentive contracts for employees to focus their attention on the desired task.

Projektleitung: M.Sc. André Meseberg
Förderer: Haushalt - 01.01.2017 - 01.12.2019

Management Short Termism, Tail Risks and Contract Length

Sowohl in der Accounting- wie auch in der finanzwissenschaftlichen Literatur wird häufig angenommen, ökonomische Größen wären normalverteilt. Aber auch ohne explizite Normalverteilungsannahmen werden ökonomische Probleme oft als Erwartungswert-Risiko-Trade-Off dargestellt, wobei Risiken durch eindimensionale Risikomaße wie der Standardabweichung gemessen werden. Tatsächlich gibt es starke empirische Hinweise, dass ökonomische Größen wie Aktienrenditen oder Gewinne heavy-tailed-verteilt sind. Ökonomisch gesehen bedeutet das, dass ein relativ großer Teil der Variation in ökonomischen Größen durch einzelne Extremereignisse oder verhältnismäßig kleine Zeiträume erklärt werden kann. Ökonomische Modelle auf Erwartungswert-Standardabweichung-Betrachtungen zu reduzieren, könnte also potenziell Probleme außer Acht lassen, die für Heavy-Tails kausal sind, oder aber durch diese erst verursacht werden. Im Rahmen dieses Forschungsprojektes wird untersucht, welche Faktoren die Neigung Extremrisiken einzugehen, beeinflussen und inwiefern diese durch Agency-Konflikte zu Wohlfahrtsverlusten führen können.

Projektleitung: M.Sc. Max-Frederik Neubert
Kooperationen: Prof. Dr. Jens Robert Schöndube; Prof. Dr. Christian Lukas
Förderer: Haushalt - 15.05.2018 - 27.10.2019

Accountability in an agency model: project selection, effort incentives, and contract design

We analyze an agency model of project choice and implementation where the agent is held accountable for his performance. We show that implementation of the ex ante efficient project may be impossible, irrespective of how the principal sets fixed wage and bonus rate. If it is possible, the principal may be forced to increase the bonus rate above the optimal project-specific rate. The higher profit share compensates the agent for pressure he faces when he has to justify/explain his performance.

Projektleitung: M.Sc. Max-Frederik Neubert
Kooperationen: M.Sc. Nicola Bethmann; Dipl.-Kfm. Tim Hensel
Förderer: Haushalt - 15.05.2018 - 27.10.2019

Earnings management during family firm succession: an analytical perspective of the influence of socioemotional wealth

In order to provide an analytical explanation for earnings management in family firms prior to a succession, we study a two-period agency setting in which a founder can invest in the future capital stock and may engage in earnings management. We examine two succession scenarios which differ in terms of who lead the firm in the second period. To capture dynastic and altruistic motives of the founder, we incorporate the behavioral concept of socioemotional wealth (SEW). Our model shows that SEW creates manipulation incentives. We find that the founder engages in both accrual-based and real earnings management in order to reduce inheritance tax payments for the offspring. We show how the successors productivity, inheritance taxation, and internal monitoring influence the founders choice between a family-member and an external manager as the future CEO.

Projektleitung: M.Sc. Max-Frederik Neubert
Kooperationen: Prof. Dr. Jens Robert Schöndube; Prof. Dr. Christian Lukas
Förderer: Haushalt - 15.05.2018 - 27.10.2019

Experimental evidence on project choice and accountability

In order to get a deeper understanding on how decision making is affected when the decider knows he/she is held accountable after a decision, we analyze different experimental settings where agents have to make an investment decision from a set of projects. In one setting agents have to justify their decisions irrespective of the project outcome. In another setting agents face pressure to justify their project choice if profits are too low. We test hypotheses derived from a simple model and find support for them: accountability reduces the likelihood of value-maximizing project choices, however, higher profit shares for the agent or a project recommendation by the principal can offset that effect.

Projektleitung: M.Sc. Max-Frederik Neubert
Förderer: Haushalt - 15.05.2018 - 27.10.2019

Adverse reactions from subjective performance evaluations? A behavioral explanation

When incentive compensation is implemented through subjective performance measures it is often true that the evaluator's discretion over the evaluation result is accompanied by inaccuracies that impair the quality of the assessment. A common phenomenon observable in practice is the leniency bias. Theories for causes of this pattern are diverse, however, less focus has been put on the examination of economic consequences for the

firm. This paper contributes two things: firstly, it adds an explanation for leniency in subjective evaluations on the basis of two behavioral concepts; secondly, it addresses effects on profit. In an agency model I show that anticipation of overconfident and reciprocal employees leads superiors to use the discretionary power over the performance measure as an additional device of optimization and intentionally manipulate the results .

6 Veröffentlichungen

Nicht begutachtete Zeitschriftenaufsätze

Jamm, Dominic

Intra-organizational knowledge creation and sharing in a principal-agent setting

Magdeburg: Univ., Faculty of Economics and Management, 2018, 25 Seiten - (Working paper series; Otto von Guericke University, FEMM, Faculty of Economics and Management; 2018, No.1)