

**KAREN L. SEDATOLE, PhD**  
*Associate Professor of Accounting*

The Eli Broad College of Business  
Department of Accounting and Information Systems  
Michigan State University  
N270 North Business Complex  
East Lansing, Michigan 48824-1122  
Email: [sedatole@msu.edu](mailto:sedatole@msu.edu)  
Phone: 517.432.2919

**EDUCATION**

- 1996-2000    **PhD in Business Administration, University of Michigan**  
*Thomas William Leabo Memorial Award for Outstanding Business School Doctoral Student*
- 1987-1989    **Master of Business Administration, University of Texas at Austin**  
*Sord Scholar Award*
- 1983-1987    **Bachelor of Science in Engineering, Baylor University**  
*Magna cum laude*

**ACADEMIC APPOINTMENTS**

- 2007-present    **Michigan State University**, *Associate Professor of Accounting*
- May, 2011    **University of California at Davis**, *Visiting Research Scholar*
- 2006-2007    **Michigan State University**, *Assistant Professor of Accounting*
- 2000-2006    **University of Texas at Austin**, *Assistant Professor of Accounting*
- 1991-1996    **Stephen F. Austin State University**, *Lecturer of Accounting*

**RESEARCH INTERESTS**

Determinants and consequences of evaluation and reward systems; control in inter-organizational collaborations; the measurement and use of non-financial performance measures for performance management.

**RESEARCH PUBLICATIONS**

- Christ, M. H., K. L. Towry, K. L. Sedatole. 2012. Framing Sticks as Carrots: An Experimental Investigation of Contract Frame and Effort in Agency Relationships. Conditionally accepted by *The Accounting Review*.  
*Presented at the 2012 Experimental Economics, Accounting and Society: A Conference in Memory of John Dickhaut, Economic Science Institute, Chapman University.*  
*Winner of the AAA MAS 2010 Research Conference Outstanding Paper Award.*
- Sedatole, K. L., D. Vrettos, and S. K. Widener. 2012. The Use of Management Control Mechanisms to Mitigate Moral Hazard in the Decision to Outsource. Forthcoming in *Journal of Accounting Research*.  
*Presented at the 2011 Journal of Accounting Research Conference.*
- Krishnan, R., F. Miller, and K. L. Sedatole. 2011. Collaborative Contracts in Inter-Firm Relationships. *Contemporary Accounting Research* 28 (4): 1073–1428.  
*Presented at the 2010 Contemporary Accounting Research Conference.*

- Lankton, N., A. Nicolaou, and K. L. Sedatole. 2011. Integrated Information Systems and Alliance Partner Trust. *Contemporary Accounting Research* 28 (3): 1018-45.
- Farrell, A., S. Krische, and K. L. Sedatole. 2011. Employees' Subjective Valuations of Their Stock Options: Evidence on the Distribution of Valuations and the Use of Simple Anchors. *Contemporary Accounting Research* 28 (3): 747-93.
- Bruggen, A., R. Krishnan, and K. L. Sedatole. 2011. Drivers and Consequences of Short-Term Production Decisions: Evidence from the Auto Industry. *Contemporary Accounting Research* 28 (1):83-123.  
*Winner of the AAA MAS 2012 Impact on Management Accounting Practice Award.*
- Anderson, S. W., H. C. Dekker, and K. L. Sedatole. 2010. An Empirical Examination of Goals and Performance-to-Goal Following the Introduction of an Incentive Bonus Plan with Participative Goal-setting. *Management Science* 56 (1): 90-109.  
*Winner of the AAA MAS Research Conference Outstanding Paper Award.*
- Dikolli, S. S., S. L. Kulp, and K. L. Sedatole. 2009. Transient Institutional Ownership and CEO Contracting. 2009. *The Accounting Review* 84 (3): 737-770.
- Dikolli, S. S. and K. L. Sedatole. 2007. Improvements in the Information Content of Non-Financial Forward-Looking Performance Measures: A Taxonomy and Application. 2007. *Journal of Management Accounting Research* 19: 71-104.
- Dikolli, S. S., W. R. Kinney, and K. L. Sedatole. 2007. Measuring Customer Relationship Value: The Role of Switching Cost. 2007. *Contemporary Accounting Research* 24 (1): 93-132.
- Coletti, A. L., K. L. Sedatole, and K. L. Towry. 2005. The Effect of Control Systems on Trust and Cooperation in Collaborative Environments. *The Accounting Review* 80 (2): 477-500.  
*Winner of the 2009 AAA Notable Contributions to Management Accounting Literature Award*
- Bansal, H. S., S. S. Dikolli, S. S., G. McDougall, and K. L. Sedatole. 2004. Relating E-Satisfaction to Behavioral Outcomes: An Empirical Study. *Journal of Services Marketing* 18 (4): 290-302.
- Anderson, S. W. and K. L. Sedatole. 2003. Management Accounting for the Extended Enterprise: Performance Management for Strategic Alliances and Networked Partners. 2003. In *Management Accounting in the Digital Economy*, A. Bhimini, Ed., London: Oxford University Press.
- Sedatole, K. L. 2003. The Effect of Measurement Alternatives on a Non-Financial Quality Measure's Forward-Looking Properties. *The Accounting Review* 78 (2): 555-580.
- Anderson, S. W., D. Glenn, and K. L. Sedatole. 2000. Sourcing Parts of Complex Products: Evidence on Transactions Costs, High-Powered Incentives and *Ex-post* Opportunism. 2000. *Accounting, Organizations & Society* 25 (8): 723-749.
- Anderson, S. W. and K. L. Sedatole. 1998. Designing Quality Into Products: The Use of Accounting Data in New Product Development. 1998. *Accounting Horizons* 12 (3): 213-233.

#### ***Educational and Practitioner Publications***

- Christ, M. H., K. L. Towry, K. L. Sedatole, and M. A. Thomas. 2008. When Formal Controls Undermine Trust and Cooperation. 2008. *Strategic Finance*, January: 38-44.  
*Winner of the IIA Netherlands Outstanding Paper Award.*
- Anderson, S. W., M. H. Christ, and K. L. Sedatole. 2006. The Risky Business of Strategic Collaborations. 2006. *Internal Auditor*, (December).
- Anderson, S. W., M. H. Christ, and K. L. Sedatole. 2006. Managing Strategic Alliance Risk: Survey Evidence of Control Practices in Collaborative Inter-Organizational Settings. Altamonte Springs, Florida: The Institute of Internal Auditors Research Foundation.

- Dikolli, S. S. and K. L. Sedatole. 2004. Delta's New Song: A Case on Cost Estimation in the Airline Industry. *Issues in Accounting Education* 19 (3): 345-358.
- Dikolli, S. S. and K. L. Sedatole. 2003. Schlotzsky's Gourmet Deli Franchise Store. 2003. *Accounting Education: An International Journal* 12 (4): 427-435.

### **RESEARCH – WORKING PAPERS**

- Sedatole, K. L., A. Swaney, M. H. Yetman, and R. J. Yetman. 2012. Accounting-Based Performance Metrics and Executive Compensation in Nonprofit Organizations.
- Krishnan, R., K. L. Sedatole, and A. Woods. 2012. The Dual Role of Relative Performance Evaluation for Uncertainty Reduction and Sorting.
- Anderson, S. W., M. H. Christ, H. C. Dekker, and K. L. Sedatole. 2012. Risk Management in Strategic Alliances: Field Evidence.  
*Presented at the 2006 Institute of Internal Auditors Risk and Control Conference*
- Anderson, S. W., M. H. Christ, H. C. Dekker, and K. L. Sedatole. 2012. The Use of Management Controls to Mitigate Risk in Supply Chain Alliances.
- Sedatole, K. L., A. Swaney, and A. Woods. 2011. The effect of horizontal monitoring on individual performance in the presence of task interdependencies.
- Anderson, S. W., and K. L. Sedatole. 2011. Evidence on the Cost Hierarchy: The Association between Resource Consumption and Production Activities.
- Dikolli, S. S., S. L. Kulp, and K. L. Sedatole. 2011. The Use of Contract Adjustments to Lengthen the CEO Horizon in the Presence of Internal and External Monitoring.

### **RESEARCH AWARDS & FELLOWSHIPS**

AAA Management Accounting Section Impact on Management Accounting Practice Award	2012
Department of Accounting & Information Systems Outstanding Research Award	2011
Ed and Carol Lake Faculty Excellence Research Grant	2011
Broad College of Business John D. & Dortha J. Withrow Endowed Emerging Scholar Award	2010
AAA Management Accounting Section Research Conference Outstanding Paper Award	2010
AAA Notable Contributions to Management Accounting Literature Award	2009
AAA Management Accounting Section Research Conference Outstanding Paper Award	2006
IIA Netherlands Outstanding Working Paper Award	2006
AAA Management Accounting Section Dissertation Award, runner-up	2001
AAA Doctoral Consortium Fellow, Tahoe City, California	1999
William A. Paton Scholarship, University of Michigan	1996-2000
Victor Bernard Memorial Fellowship, University of Michigan	1996-1997
Thomas William Leabo Memorial Award for Outstanding Business School Doctoral Student, University of Michigan	1998-1999

### **RESEARCH GRANTS**

- Institute of Management Accountants:** 2011, to support research on the operational and financial impact of budget revisions, co-investigator Isabella Grabner and Alexander Bruggen.
- American Institute of Certified Public Accountants:** 2006, to support research on the use of supplier performance measures, co-investigator S. W. Anderson.
- PriceWaterhouseCoopers Foundation:** 2006, to support research on the association between institutional ownership and CEO contracting, co-investigators S. S. Dikolli and S. L. Kulp.
- Institute of Management Accountants:** 2005, to support research on the effect of control system type on trust and cooperation in strategic alliances, co-investigators K. L. Towry and M. H. Christ (doctoral student).
- Center for Business Measurement and Assurance Services:** 2004, to support research on management control practices in strategic alliances and other inter-firm collaborative relationships, co-investigator S. W. Anderson.

**Institute of Internal Auditors Research Foundation:** 2004, to support research on management control practices in strategic alliances and other inter-firm collaborative relationships, co-investigator S. W. Anderson.

**Center for Business Measurement and Assurance Services:** 2002, to support research on the effects of control systems on trust and cooperation in teams and alliances, co-investigators A. L. Coletti (doctoral student) and K. L. Towry.

**Center for Business Measurement and Assurance Services:** 2001, to support research on non-financial performance measures in online retailing, co-investigator S. S. Dikolli.

**Blue Cross Blue Shield of Michigan Foundation, Student Award Program Grant:** 1999, to support research on performance measurement in a healthcare setting.

### ***PRESS & PRACTITIONER MENTIONS OF RESEARCH***

*Why the Big Three Put Too Many Cars on the Lot*, CFO.com, February 2, 2012, by Marielle Segarra, [http://www3.cfo.com/article/2012/2/management-accounting\\_ford-general-motors-chrysler-absorption-costing-excess-inventory](http://www3.cfo.com/article/2012/2/management-accounting_ford-general-motors-chrysler-absorption-costing-excess-inventory)

*Multidisciplinary Literature Review: Remuneration and Executive Behaviour*, 2010, APG (www.apg.nl).

*New Research Shows Personalized Education Dramatically Increases Employees' Perceived Value Of Stock Option Awards*, Ameriprise Press Release, September 19, 2006. Also cited by Forbes.com, MSN Money, Yahoo Finance, Chron.com (Houston Chronicle), and Benefits Link.

*Guilt by Association, Corporate Secretary*, August 2006, by Carolyn Iglesias.

*Managing Internal Controls & Joint Ventures, Compliance Week*, May 16, 2006, by Christine Dunn.

*The Role of Alliances in Corporate Strategy*, Boston Consulting Group Report, November 2005.

### ***INVITED SEMINARS***

University of Southern California	2003, 2008,	Michigan State University	2005
	2012	University of Pittsburgh	2005
Wake Forest University	2011	Rice University	2000, 2005
Indiana University	2011	University of Utah	2005
University of California at Davis	2011	University of Iowa	2004
University of Georgia	2011	University of Arizona	2004
Maastricht University	2010	University of Illinois	2003
Free University Amsterdam	2009	University of Colorado	2003
York University	2009	Baylor University	2002
Harvard University	2001, 2009	Michigan State University	2002
Ohio State University	2008	University of Notre Dame	2001
University of Wisconsin	2008	University of Texas at Austin	2000
Emory University	2008	University of Texas at Dallas	2000
Georgia State University	2007	Stanford University	2000
Cornell University	2006	University of North Texas	2000
Texas Christian University	2006		

### ***INVITED DOCTORAL COLLOQUIUM PRESENTATIONS***

<i>"Economics-Based Management Accounting Research,"</i> AAA Doctoral Consortium,	
Lake Tahoe, Nevada	2010
<i>"From the Lab to the Field,"</i> Accounting, Behavior & Organizations Doctoral Colloquium	2006
<i>"Empirical Management Accounting Research,"</i> PAC 10 Doctoral Colloquium	2004
<i>"Perspectives of a New Faculty Member,"</i> AAA MAS Doctoral Colloquium	2002

## **PROFESSIONAL SERVICE & AFFILIATIONS**

### Editorial activities:

Associate editor, <i>Journal of Management Accounting Research</i> (R. Balakrishnan, Editor)	2010-2012
Editorial board member, <i>The Accounting Review</i> (H. Evans, Editor)	2011-2014
Editorial board member, <i>The Accounting Review</i> (S. Kachelmeier, Editor)	2008-2011
Editorial board member, <i>Journal of Management Accounting Research</i> (J. Luft, Editor)	2006-2009
Editorial board member, <i>Advances in Management Accounting</i>	2004-present
Ad hoc reviewer, <i>The Accounting Review; Journal of Accounting Research; Contemporary Accounting Research; Management Science; Accounting, Organizations &amp; Society; Journal of Management Accounting Research; Accounting Horizons; Behavioral Research in Accounting; Production and Operations Management; and California Management Review</i>	
Ad hoc textbook reviewer, Dryden Press	1995

### AAA leadership roles:

MAS Dissertation Award Committee, Chair	2013
AAA Annual Meeting Best Paper Award Committee, Chair	2010
AAA Annual Meeting, MAS Liaison (organizer)	2009
AAA MAS Doctoral Colloquium, Co-Director	2006-2007, 2007-2008

### AAA committee membership and other activities:

AAA New Faculty Consortium Planning Committee	2011-2012
AAA New Faculty Consortium, Teaching Effectiveness Panel Moderator and Small Group Leader	2012
MAS Dissertation Award Committee	2012
MAS Publications Committee	2010-2012
MAS Mid-year Meeting Best Paper Award Committee	2010-2011
AAA New Faculty Consortium, Teaching Effectiveness Panelist and Small Group Leader	2009, 2010
MAS Innovation in Teaching Awards Committee	2009
AAA Notable Contributions to Accounting Literature Award Screening Committee	2006-2007
MAS Doctoral Colloquium, Resident Faculty	2006
MAS Innovations in Management Accounting Literature Award Committee	2002

### Conference participation:

Global Management Accounting Research Symposium, reviewer, session moderator and/or discussant	2007-2011
Global Management Accounting Research Symposium Emerging Scholars Forum, Faculty Mentor	2008, 2011
AAA MAS Mid-Year Research Conference, reviewer, session moderator, discussant, and/or panel moderator	2001-2002, 2004, 2006-2012
AAA Annual Meeting, reviewer, session moderator, discussant, and/or panel moderator	2000-2002, 2006-2007, 2009-2012

American Accounting Association, Member	1998-present
Institute of Management Accountants, Member	2000-present
Institute of Internal Auditors, Member	2003-2009

## **UNIVERSITY SERVICE**

### Michigan State University:

Broad Full-time MBA Redesign Team	2011-2012
Broad Full-time MBA Task Force	2010-2011
Broad Committee of 200 Design Team	2011
Broad Women MBA Association, Faculty Advisor	2011-2012

Broad Masters Programs Committee	2008-2012
Department Curriculum Committee	2010-2012
Department of AIS Promising Scholars Program, Coordinator	2008, 2009, 2010, 2011
MBA Broad v. Broad Case Competition, Judge	2009
Department Advisory Committee	2007-2008, 2008-2009
Department PhD Programs Committee	2006-2007, 2007-2008, 2008-2009
Weekend MBA Curriculum Task Force	2008-2009
MBA Breakthrough to Broad (B2B) Case Competition, Lead Judge	2010
MBA Breakthrough to Broad (B2B) Case Competition, Judge	2008, 2011
MSU All-University Awards Committee	2007-2008
Broad Undergraduate Programs Committee	2006-2007
Department Chair Search Committee	2006-2007

University of Texas at Austin:

Department Management Accounting Curriculum Committee	2005-2006
---	-----------

**TEACHING INTERESTS**

Management accounting, cost accounting, performance measurement and management control.

**TEACHING AWARDS & HONORS**

Broad College of Business John D. & Dortha J. Withrow Endowed Emerging Scholar Award	2010
University of Texas Mortar Board Senior Honor Society Preferred Professor	2006
McCombs Faculty Excellence Award Winner	2003-2004
Outstanding Principles of Accounting Teacher, Stephen F. Austin State University	1995-1996
Outstanding MBA Core Teaching Assistant, University of Texas at Austin	1988-1989

**TEACHING ASSIGNMENTS**

Michigan State University:

Managerial Accounting, MBA (core)  
Strategic Management Accounting, MS Accounting and MBA (elective)  
Accounting for Decision Making and Control, Executive MBA  
The Financial Dimensions of Supply Chain Management, Executive Development Program  
Strategic Cost Management, Executive Development Program

University of Texas at Austin:

Introduction to Managerial Accounting, MBA (core)  
Fundamentals of Managerial Accounting, Business Honors Program  
Fundamentals of Managerial Accounting, BBA  
Empirical Managerial Accounting Research, ITESM Doctoral Seminar

Stephen F. Austin State University:

Principles of Financial Accounting, BBA  
Principles of Management Accounting, BBA  
Introduction to Accounting for Non-Business Majors, BA

**DOCTORAL STUDENT SUPERVISION**

Michigan State University:

Dimitris Vrettos, Dissertation Chair	2010-2011
Dimitris Vrettos, Research Assistant	2008-2009, 2010-2011
Dimitris Vrettos, 1 <sup>st</sup> and 2 <sup>nd</sup> Year Summer Papers	2007, 2008
Amy Swaney, 1 <sup>st</sup> and 2 <sup>nd</sup> Year Summer Papers	2010, 2011

Amy Swaney, Research Assistant	2009-2010, 2011-2012
Eric Marinich, Dissertation Committee Member	2011-2012
Michelle Lau, 2 <sup>nd</sup> Year Summer Paper	2009
Alex Woods, Dissertation Co-Chair	2006-2008
Alex Woods, Research Assistant	2006-2007
Ge Bai, Research Assistant	2007-2008

University of Texas at Austin:

Margaret Christ, Dissertation Committee Member	2006-2009
Kevin Jackson, Dissertation Committee Member	2002-2004
Margaret Christ, 2 <sup>nd</sup> Year Summer Paper	2005
Angela Coletti, 2 <sup>nd</sup> Year Summer Paper	2003
Bernhard Reichert, 1 <sup>st</sup> Year Summer Paper	2005
Margaret Christ, Research Assistant	2004-2006
Angela Coletti, Research Assistant	2000-2004
Kristy Towry, Research Assistant	2001

***PROFESSIONAL EXPERIENCE & LICENSES***

1991-1992	<b>Corning, Incorporated</b> , Corning, NY <i>Consultant</i> Played the lead role in the design, implementation, and installation of the Corning, Incorporated Sales & Administrative Expense Budgeting System and the Opto-Electronics Division Executive Information System.
1989-1991	<b>Execucom Systems Corporation</b> , Austin, TX <i>Staff Consultant</i> Worked on the design and implementation of customized client information systems used in forecasting, planning and decision-making in the airline, petrochemical, computer manufacturing, and retail industries.
1994-2004	Certified Public Accountant, State of Texas