

KAREN L. SEDATOLE, PhD
Professor of Accounting

The Eli Broad College of Business
Department of Accounting and Information Systems
Michigan State University
North Business College Complex
632 Bogue St., Rm 270
East Lansing, Michigan 48824-1122
Email: 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

Michigan State University

- 2013-present *Professor of Accounting*
2006-2013 *Associate Professor of Accounting*

Wake Forest University

- 2013-2014 *Visiting Professor of Accounting*
2012-2013 *Visiting Associate Professor of Accounting*

University of California at Davis

- May, 2011 *Visiting Research Scholar*

University of Texas at Austin

- 2000-2006 *Assistant Professor of Accounting*

Stephen F. Austin State University

- 1991-1996 *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

- Dikolli, S. S., S. L. Kulp, and K. L. Sedatole. 2013. The Use of Contract Adjustments to Lengthen the CEO Horizon in the Presence of Internal and External Monitoring. Forthcoming in *Journal of Management Accounting Research*.
- Anderson, S. W., and K. L. Sedatole. 2013. Evidence on the Cost Hierarchy: The Association between Resource Consumption and Production Activities. Forthcoming in *Journal of Management Accounting Research*.

- Christ, M. H., K. L. Sedatole, and K. L. Towry. 2012. Framing Sticks as Carrots: An Experimental Investigation of Contract Frame and Effort in Agency Relationships. *The Accounting Review* 87 (6): 1913-1938.
- Presented at the 2012 Experimental Economics, Accounting and Society: A Conference in Memory of John Dickhaut, Economic Science Institute, Chapman University.*
- Winner of the 2010 AAA MAS 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. *Journal of Accounting Research* 50 (2): 553-592.
- Presented at the 2011 Journal of Accounting Research Conference.*
- Krishnan, R., F. Miller, and K. L. Sedatole. 2011. The Use of Collaborative Interfirm Contracts in the Presence of Task and Demand Uncertainty. *Contemporary Accounting Research* 28 (4): 1397-1422.
- Nicolaou, A., K. L. Sedatole, and N. Lankton, N. 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 2012 AAA MAS 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 2012 AAA Notable Contributions to Management Accounting Literature Award*
- Winner of the 2006 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.
- 2001 AAA Management Accounting Section Dissertation Award, runner-up*

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. Shackell. Sticks and Carrots in Incentive Contracting. Forthcoming in *Finance & Accounting Memos*.

Convery, S. P., A. M. Farrell, S. D. Krische, and K. L. Sedatole. 2012. How Employees Value Stock Options as Compensation. *Journal of Financial Planning*.

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

Anderson, S. W., M. H. Christ, H. C. Dekker, and K. L. Sedatole. 2013. Risk Management in Strategic Alliances: Field and Survey Evidence.

Sedatole, K. L. and A. Woods. 2013. The Role of Calibration Committees in Subjective Performance Evaluation Systems.

Anderson, S. W., H. C. Dekker, K. L. Sedatole, and E. Wiersma. 2013. Halo effects in subjective performance evaluation.

Bruggen, A., I. Grabner, and K. L. Sedatole. 2013. Toward the unknown: The effect of forecast accuracy on production decisions.

Sedatole, K. L., A. Swaney, M. H. Yetman, and R. J. Yetman. 2013. Accounting-Based Performance Metrics and Executive Compensation in Nonprofit Organizations.

Sedatole, K. L., A. Swaney, and A. Woods. 2013. The Implicit Incentive Effects of Horizontal Monitoring and Team Member Dependence on Individual Performance.

Krishnan, R., K. L. Sedatole, and A. Woods. 2013. Do the Incentive Effects of Relative Performance Evaluation Vary within the Organizational Hierarchy?

RESEARCH AWARDS & FELLOWSHIPS

AAA Notable Contributions to Management Accounting Literature Award	2009, 2012
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	2006, 2010
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 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.

SAMPLE PRESS & PRACTITIONER MENTIONS OF RESEARCH

Carrots Are More Powerful Motivators than Sticks, New Research Finds, Incentive Magazine, July 10, 2012, by Alex Palmer, <http://www.incentivemag.com/News/Industry/Articles/Carrots-Are-More-Powerful-Motivators-Than-Sticks,-New-Research-Finds/>

Employees Motivated By Rewards, Not Penalties, BusinessNewsDaily, Fox Business, June 22, 2012, by Chad Brooks.

Capital City Recap with Michael Cohen, WILS 1320 radio interview, June 21, 2012.

Accounting; Research from Worcester Polytechnic Institute Provides New Data about Accounting, Wall Street Journal Investment Weekly News, December 10, 2011, <http://professional.wsj.com/article/TPINVWK00020111202e7ca000je.html>

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

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 Arkansas	2014	Georgia State University	2007
Georgetown University	2013	Cornell University	2006
Northeastern University	2013	Texas Christian University	2006
University of Miami	2013	Michigan State University	2002, 2005
Duke University	2013	University of Pittsburgh	2005
University of Southern California	2003, 2008, 2012	Rice University	2000, 2005
Wake Forest University	2011	University of Utah	2005
Indiana University	2011	University of Iowa	2004
University of California at Davis	2011	University of Arizona	2004
University of Georgia	2011	University of Illinois	2003
Maastricht University	2010	University of Colorado	2003
Free University Amsterdam	2009	Baylor University	2002
York University	2009	University of Notre Dame	2001
Harvard University	2001, 2009	University of Texas at Austin	2000
Ohio State University	2008	University of Texas at Dallas	2000
University of Wisconsin	2008	Stanford University	2000
Emory University	2008	University of North Texas	2000

INVITED DOCTORAL COLLOQUIUM PRESENTATIONS

"Research on managerial accounting," AAA Doctoral Consortium, Lake Tahoe, Nevada	2013
"6 Blind Men, an Elephant, and an 800 lb Gorilla walk into a bar...", AAA MAS Doctoral Colloquium	2013
"Economics-Based Management Accounting Research," AAA Doctoral Consortium, Lake Tahoe, Nevada	2010
"From the Lab to the Field," Accounting, Behavior & Organizations Doctoral Colloquium	2006
"Empirical Management Accounting Research," PAC 10 Doctoral Colloquium	2004
"Perspectives of a New Faculty Member," AAA MAS Doctoral Colloquium	2002

PROFESSIONAL SERVICE & AFFILIATIONS

Editorial activities:

Associate editor, <i>Journal of Management Accounting Research</i> (R. Balakrishnan, Editor)	2010-2013
Editorial board member, <i>Journal of Management Accounting Research</i> (R. Krishnan, Editor)	2013-2016
Editorial board member, <i>Accounting, Organizations & Society</i> (C. Chapman, Editor)	2012-present
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>	2004-2010

Ad hoc reviewer, *The Accounting Review*; *Journal of Accounting Research*; *Contemporary Accounting Research*; *Management Science*; *Accounting, Organizations & Society*; *Journal of Management Accounting Research*; *Management Accounting Research*; *Accounting Horizons*; *Behavioral Research in Accounting*; *Production and Operations Management*; and *California Management Review*
 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 Membership Advisory Committee (Mary Barth, President) 2013-2016
 AAA Doctoral Consortium Planning Committee, Panelist, Panel Moderator and Small Group Leader 2013
 AAA Steve Berlin / CITGO Grant Competition Selection Committee 2013
 AAA New Faculty Consortium, Teaching Effectiveness Panel Moderator and Small Group Leader 2012
 AAA New Faculty Consortium Planning Committee 2011-2012
 MAS Dissertation Award Committee 2012
 MAS Publications Committee 2010-2012, 2012-2014
 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, 2013
 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, 2006-2013
 AAA Annual Meeting, reviewer, session moderator,
 discussant, and/or panel moderator 2000-2002, 2006-2007, 2009-2013

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 College Integrative Teaching and Learning Team 2013-2014
 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
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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

Wake Forest University:

- Managerial Accounting, MBA (core)
- Management Control Systems, MBA (elective)
- Strategic Cost Management, MS Accounting and MBA (required)

Michigan State University:

- Managerial Accounting, BBA
- Managerial Accounting, MBA (core)
- Strategic Management Accounting, MS Accounting and MBA (elective)
- Accounting for Decision Making and Control, Executive MBA (core)
- Cost Concepts for Logistics Applications, 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:

Amy Swaney, Dissertation Chair	2012-present
Dimitris Vrettos, Dissertation Chair	2010-2011
<i>Winner of the 2012 AAA Outstanding Management Accounting Dissertation Award</i>	
Dimitris Vrettos, Research Assistant	2008-2009, 2010-2011
Dimitris Vrettos, 1 st and 2 nd Year Summer Papers	2007, 2008

Amy Swaney, 1 st and 2 nd Year Summer Papers	2010, 2011
Amy Swaney, Research Assistant	2009-2010, 2011-2012
Michelle Lau, 2 nd 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 nd Year Summer Paper	2005
Angela Coletti, 2 nd Year Summer Paper	2003
Bernhard Reichert, 1 st 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	<p>Corning, Incorporated, Corning, NY</p> <p><i>Consultant</i></p> <p>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.</p>
1989-1991	<p>Execucom Systems Corporation, Austin, TX</p> <p><i>Staff Consultant</i></p> <p>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.</p>
1994-2004	<p>Certified Public Accountant, State of Texas</p>