Newly Accepted Refereed Journal Articles

Marianne Bradford and Joe Brazel

“Flirting with SOX: Are Private Companies Interested in a Relationship?” Strategic Finance

It has been nearly six years since Congress passed the Sarbanes-Oxley Act (SOX) of 2002. Many publicly-traded companies have gone through at least one year of compliance for one of the most costly parts of the Act, Section 404, which requires management at publicly-traded companies to assess the effectiveness of their internal controls over financial reporting and issue their findings in a public report. The legislation also mandates that auditors attest to management's findings, perform an independent assessment of control reliability, and issue their own report.

While some pundits hailed SOX as the savior of corporate governance, many shared their disdain for it. There is no shortage of articles denouncing SOX for its spiraling cash outlays, including increased internal audit and accounting staff and external audit and consulting fees. With all this negative press, is it possible that private companies are voluntarily submitting to its promulgation? A recent survey found that some private companies are flirting with SOX, seeing the benefit in a long-term relationship, but starting off with baby steps.

Fay Cobb Payton

Gendered Perspectives on the Digital Divide, IT Education and Workforce Participation in Kenya, IEEE Transactions on Education

The purpose of this study was to examine gendered perspectives on the digital divide, motivations for engaging in information technology (IT) education, and expectations regarding IT workforce participation in Kenya. Researchers interviewed 32 women and 31 men matriculating in an undergraduate IT-focused program at a Kenyan university. Interviewees reported that IT careers demand technical expertise, and a strong educational background in technology and business. However, their ability to meet these demands was hindered by significant national challenges such as restrictive IT policies, inadequate access to technology and educational resources, and a limited number of local firms that demonstrate the ability to manage advanced technology and IT workers. Women were particularly concerned about gender discrimination in the workplace. These findings imply that IT education and workforce entry require a complex mix of digital technologies, organizational capacity building, gender equity and IT policy remedies.

Robin Pennington

Pennington, R. & Tuttle, B. The Effects of Information Overload on Software Project Risk Assessment. Decision Sciences

Managers are responsible for providing effective information technology governance of the software development process. Ineffective governance leads to serious resource misallocations and negative consequences concerning Sarbanes-Oxley compliance. In order for managers to make informed decisions about software development projects, they often need more information than is available through normal information channels, that
is, they need an in-depth review of the at-risk project. Such in-depth reviews, however, are costly. Hence, accurate identification of at-risk projects for in-depth review is critical to management’s ability to govern. This research considers how two factors, information load and time pressure, affect the quality of the project-selection process. We examine quality by observing the decision strategies involved and then relating these strategies to subsequent decision making. An experiment was conducted with experienced information systems auditors using a combination of policy-capturing and computerized process-tracing techniques. The participants in our study cope with information overload by accelerating their decision-making process and adopting noncompensatory decision processes. Contrary to prior research, our process-tracing analysis suggests that participants rarely filter information, thus implying that decision makers are unable to process all the information. Coping by resorting to noncompensatory strategies did not decrease decision quality unless combined with accelerated information processing. Participants also increase their weight on the software project risk factors that they repeatedly access and that they view for longer periods of time. The theoretical contributions and practical implications regarding what actions managers can take to reduce the negative impact of information overload are discussed.

Jing Zhao

"Can Growth Options Explain the Trend in idiosyncratic Risk?" Review of Financial Studies, with Charles Cao and Tim Simin.

While recent studies document increasing idiosyncratic volatility over the past four decades, an explanation for this trend remains elusive. We establish a theoretic link between growth options available to managers and the idiosyncratic risk of equity. Empirically both the level and variance of corporate growth options are significantly related to idiosyncratic volatility. Accounting for growth options eliminates or reverses the trend in aggregate firm specific risk. These results are robust for different measures of idiosyncratic volatility, different growth option proxies, across exchanges, and through time. Finally, our results suggest that growth options explain the trend in idiosyncratic volatility beyond alternative explanations.

Publications

David Hyman

David N. Hyman, Public Finance: A Contemporary Application of Theory to Policy, 9th Ed., Mason, Ohio: Thomson-SouthWestern, 2008 (Published July 2007, 748 pages)

Fay Cobb Payton


Doug Pearce

Presentations

Lynda Aiman-Smith

Discussant for session on Technology, Innovation and New Venturing at the Academy of Management annual meeting August 7, 2007

Presented paper "How NC State developed our Graduate Services concentrations at (for academics) lightening-speed in one year: Co-Creation with partners from IBM" as part of paper session on "Preparing Students for the 21st Century: A Service Dominant Logic for Management Education Teaching Service Management" on August 7, 2007

Steve Allen

“Services Science Programs at North Carolina State University,” IBM Korea 2007 Services Science Symposium, Seoul, Korea, August 22

David Baumer and Roby Sawyers


Mark Beasley

"Information Conveyed in Hiring Announcements of Senior Executives Overseeing Enterprise-Wide Risk Management Processes" with Don Pagach and Richard Warr, American Accounting Association, Chicago, August 6

Joe Brazel

“A Field Investigation of Auditors’ Use of Brainstorming in the Consideration of Fraud,” with Tina Carpenter and Greg Jenkins. Presented at the 2007 AAA Annual Meeting, Chicago, IL.


Turanay Caner


Robert Handfield

Fay Cobb Payton

Payton, F.C. with V. Mbarika and L. Kvansy, 2007, IFIP IT in Developing Countries Conference & Proceedings, Gendered Approaches Considering in Kenya and IT Functions Sao Paulo, Brazil.

Presenter and Moderator, IS Versus CS Panel, Auburn University, NSF-Sponsored Conference, July 2007


Eileen Taylor

XBRL-Enabled Financial Statement Analysis, with Ann Dzuranin, Annual American Accounting Association, Chicago, August 8

Paul Williams

Mohammed Bayou, Alan Reinstein, and Paul F. Williams, "Examining Issues Relating to Truth and Ethics in Accounting," presented at the 12th annual Research Ethics Symposium, Chicago, IL, August 4, 2007


Other accomplishments

Fay Cobb Payton

2007, Editor of Healthcare Section, African Journal of Information Systems (sponsored by the NSF)

Technical Papers Committee Member, 2007 Richard Tapia Celebration of Diversity in Computing Conference

Announcement

The Division of Undergraduate Academic Programs (DUAP) will provide $750-$1,000 stipends (based upon quality and merit) to a selected number of undergraduate students and up to $300 for operating cost (non-salary) to their supporting NCSU faculty for undergraduate research projects for Spring and/or Summer 2008. Last year, 119 students received this prestigious research grant award. The deadline for applications is midnight, October 19, 2007. Only electronic submissions will be considered. For those selected to participate, a brief but mandatory information session describing expectations and reporting mechanisms will be held in November. Students who are awarded stipends are expected to participate in a future NC State Undergraduate Research Symposium, held each spring semester and in the summer (see
http://www.ncsu.edu/ugrs/ <http://www.ncsu.edu/ugrs/>). NC State students may also present at the State of NC Undergraduate Research and Creativity Symposium.