CORPORATE GOVERNANCE IS TOPIC OF TENTH ANNUAL CONFERENCE

A large turnout of accountants, managers and academics gathered at the National Arts Centre to hear an excellent panel of speakers present their views on corporate governance. The speakers present their views on corporate governance. The speakers were: Guryane Sauter, Chair, Joint Corporate Governance Committee, and Paul Charlton, President, Board of Directors of CBC/Markenando; Karen Hughes, Professor, University of Alberta; Alex Dunker, Professor, Sheffield University, UK; and Al Hutton, President, Coalition of Voluntary Organizations. The aim of the conference was to provide participants with a good practice guide for governance. Included in the issues to be covered were: how an organization, whether in the public or private sector, can ensure good governance; the roles and responsibilities of the players involved; accountants, managers or Board members; and how effective a framework for internal control can contribute to good governance. Based on her research on the research and findings of the Joint Corporate Governance Committee, Guryane Sauter noted that the major conclusions of the Committee revolved around the need to change the behaviour and culture of Boards. The keys to such a change are the improvement of disclosure and increased board independence. Disclosure should be focused on behaviour rather than structure and on function rather than form. Increased board independence can be achieved by ensuring that there is a good working balance with strong leadership and the right people on the board. The relative absence of women on Boards and in top executive positions was the theme of the presentation by Professor Karen Hughes. While the situation is improving, women are still not sharing the growth of the top jobs. The explanation for this lies in the numbers of barriers that exist. There are institutional barriers, such as biased recruitment practices, exclusion of women from informal networks, and outright discrimination. Also there is a shortage of qualified female candidates for the top jobs. Too, some women choose to leave the workplace to raise a family. What is needed to ameliorate the problem is an expanded pool of qualified women candidates as well as improved recruitment practices. According to Professor Dunker, corporate governance involves the direction, management and control of an organization. More and more a stakeholder perspective of governance is demanding accountability and transparency in corporate affairs as well as an emphasis on business ethics. Recent studies have tended to highlight these requirements of corporate governance. The globalization of equity markets is accentuating these demands. They are forcing better reporting including international accounting standards. In his remarks, Al Hutton pointed out the size and growth of the voluntary organization sector. There are a number of factors which are demanding improved governance for organizations in this sector. Among these factors are: a blurring of roles between sectors (private, public, nonprofit); government restructuring and shifts in roles and responsibilities; a new philanthropist; and high public expectations. Improved governance and leadership in response to these factors will involve the boards of voluntary organizations in issues such as: leadership, power and legitimacy, management job descriptions, culture, norms and attitudes, and competence. A number of formal groups have been formed to tackle these issues. The participants and speakers were welcomed by Herb Wilkins, President of CGA Ontario and thanked by Dean Michelle Kiley of the School of Management at the University of Ottawa. Moderator for the conference was Professor Kathryn Pedewel of the University of Ottawa.

The CGA-ARC is located in Vantier Building Room 310F.

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ACCOUNTING RESEARCH CENTRE MARKS A DECADE OF ACHIEVEMENT

The tenth annual conference of the ARC was held at the National Arts Centre, Ottawa, on 18 October, 2011. It marked a milestone in the history of the ARC. The Centre has contributed to accounting thought in Ottawa and throughout the profession for a decade. Two testimonials to its success were provided to the Centre during its tenth conference. Diane Michael of the Faculty of Administration, University of Ottawa, observed the success of the Centre’s conferences and noted its ability to identify key issues in accounting and management. Speaking at the same conference, Harold Widholm, President, CGA Ontario said that the high standard of the Centre’s research activities was reflected in its high-quality journal, the Canadian Journal of Accounting Research (CJAR), which was first published in 1992.

The Centre, located at the University of Ottawa, was established in 1992 with financial support from CGA Ontario. The Centre is designed to promote research in accounting and related fields. To honour its mission and achieve its objectives, the Centre has undertaken a number of activities. These include: a comprehensive research program, annual conference, research education featuring distinguished speakers in accounting, an online Newsletter, the development of a website and an infrastructure featuring published articles and corporate reports.

The research program is the engine that drives the Centre. Its objective is to engage the practice of accounting by building enduring knowledge, educating leadership, and communicating innovative and substantive ideas in the most effective ways. The research program is aimed at meeting the challenges of change and advancement in the economic and business environment that face accounting, accountants and the accounting profession.

The research program produces a variety of outputs. These are published in articles in academic journals and professional and trade journals. They also include the publication of books, conference proceedings, research reports, presentations at conferences and articles on the web. The total number of these outputs is about a thousand.

The Centre has a comprehensive program of conferences. These are annual events in which a panel of academics and practitioners come together to discuss common issues. The purpose is to educate, provide a forum for discussion, facilitate the dissemination of research results and give visibility to the Research Centre, the University of Ottawa and CGA Ontario.

To date, ten highly successful conferences have been held. They have all been well attended by professionals, academics and experts in their own fields. The focus has been on pressing issues in accounting and on themes which are relevant to professionals and practitioners in all types of sectors and organizations. The conferences have had the following themes:

- Fall 2011: “Good Corporate Governance in the Third Millennium: Improving the systems by Which Canadian Organizations AreGoverned”
- Fall 1998: “Managing for Performance Measures: Making It Work”
- Fall 1996: “Public Sector Accounting: Shifting the Focus to Results”
- Fall 1995: “Financial Statements: Do They Have a Future?”
- Fall 1993: “The Crisis in Auditing”
- Fall 1992: “Performance Measurement and Reporting In Non-profit Organizations: Is There an Alternative to the Traditional Accounting Model?”

The proceedings of these conferences have been published and are made available to the public.

Another of the Centre’s activities involves a series of research workshops with well-known academics and practitioners who are invited to present their research results at these workshops. The forum presents an opportunity for the exchange of ideas and the enhancement of knowledge and research methodologies between teams of researchers and the Centre and researchers in other institutions. The participants are also tasked with networking and giving the Research Centre a higher profile in the research and academic communities. Distinguished speakers have come from all over Canada, the United States, United Kingdom, Australia, Hong Kong, Ireland and Korea.

The CGA Accounting Research Centre publishes a Newsletter (of which the fourth is the ninth) reporting on major activities and achievements during the year. The objective of the Newsletter is to keep the academic and accounting communities and other interested parties aware of the activities of the Centre, and to give it the visibility of the University of Ottawa and CGA Ontario across Canada and internationally.

The Centre has made innovative use of technology to educate and communicate on works being done at the Centre by creating a website. The website provides free information on the Centre’s activities and resources.

Finally, as one of its major initiatives, the Centre undertakes to build an appropriate infrastructure which would make it possible to meet its goals and objectives and to give more focus to its research activities.
RESEARCH ABSTRACTS


The measurement of a firm's performance is critical. Many persons and issues depend on the selection of an appropriate performance metric. This study compares five performance measures in terms of their ability to capture value and value creation. These measures are not earnings, operating earnings, cash flows from operations, residual income and value added. Since country-specific standards and regulations influence these computations of performance metrics, the sample comprises firms from four countries: the United States, Canada, France and Switzerland. Results suggest that the value relevance of a performance metric as well as its predictive ability depend upon a country's financial measurement and reporting environment. An investor-focused, less restrictive financial reporting environment enhances the power of performance metrics to explain firm value or financial prospects. In contrast, a nation's accountants focus and more restrictive reporting environment diminish the explanatory power of performance metrics.

This study explores the information content of labor cost volatility disclosed by examining and comparing labor productivity and management efficiency in labor laws. It examined and discussed labor productivity, labor efficiency and labor costs. The study's main findings include the potential of labor costs in labor efficiency and labor productivity. The study also found that labor cost disclosure and labor productivity are positively related to labor cost disclosure. These results indicate the potential of labor productivity and labor costs in labor efficiency and labor productivity. The study concludes that labor cost disclosure is a valuable tool for understanding labor costs.

PUBLICATIONS


DISTINGUISHED SPEAKER SERIES

The Accounting Research Centre sponsored a number of presentations by distinguished speakers:

1. "Knowledge-Based Information Used in Investment Decision Making" by Dr. Waymon Rodgers, Professor, Graduate School of Management, University of California, Riverside, 9 November, 2001.


3. "Une analyse de l'enveloppe des données financières" by Dr. Fouad Ben Abderrahim, Professor, Laurentian University, 29 May, 2001.

OTHER NEWS

1. CGA Ontario has renewed its commitment to the Accounting Research Centre for ten years to April 30, 2013.

2. Daniel Zeghal, Director of the Centre, has been listed in the 22nd edition of the "Who's Who in Canadian Business," one of the most respected and sought-after business resources in Canada.

3. CGA Ontario has been encouraging the Centre to engage in international alliances. To this end, the Centre has had three distinguished scholars spending time doing joint research projects. The scholars are Dr. Mun Soo Choi from Korea, Dr. Harisali Masni from Tunisia and Professor Hans-Peter Burkhardt from Germany. Also Miet Dia from UQAM is currently engaged in a joint doctoral program at the Centre.

FOR MORE INFORMATION

To learn more about the CGA-ARC visit our Web site at the following address: www.cga-arc.uottawa.ca.

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