**2023 JCAE Annual Symposium and Doctoral Consortium**

**UTA is proud to virtually host the 2023 JCAE Annual Symposium and Doctoral Consortium. The symposium will be held from Jan 3, 2023, through Jan 4, 2023 (US time) [Jan 4, 2023, through Jan 5, 2023, in Far East Asia and Australia]. The doctoral consortium will be held on Jan 5, 2023 (US Time).**

**Program for JCAE (All the times are designated in US Central Time)**

**January 03 (Tuesday)**

**Conference moderator: Triza Nganga**

**Session 1 (Tuesday, 4:15 – 5:45 pm) - Inauguration and Keynote Address**   
<https://us06web.zoom.us/j/89812446591>

**4:15 – 4:40 pm: Welcome & Inauguration of the Symposium**  
Harry Dombroski, University of Texas at Arlington, United States  
Bin Srinidhi, Chief Editor, JCAE  
Prof. Judy Tsui, Institute for New Economic Thinking, Hong Kong

**4:40 pm: Keynote Speaker Introduction by Prof. Ram Venkataraman**

**4:45 – 5:45 pm: Keynote Address: Prof. Katherine Schipper, Duke University, United States**

**Session 2 (Tuesday, 6:00 – 7:30 pm) - Plenary Sessions #1 and #2**   
<https://us06web.zoom.us/j/82009413483>

**6:00 – 6:45 pm: Plenary #1: Top executive gender diversity and financial reporting quality**   
Authors: Karel Hrazdil; Dan Simunic; Stephen Spector; Simon (Nattavut) Suwanyangyuan  
Presenter: Simon Suwanyangyuan, Brock University, Ontario, Canada  
Discussant: Zhifeng Yang, SUNY Stony Brook, New York

**Abstract**

We examine whether gender diversity of chief executive and chief financial officers (CEOs and CFOs) is associated with financial reporting quality. The CEOs and CFOs of publicly traded companies are both required to certify the appropriateness of their financial statements and annual disclosures. We argue that gender diverse dyads (groups) of executives can bring different perspectives and professional skepticism to financial reporting. Using a sample of different CEO/CFO gender dyads during 2006- 2019, we postulate and find evidence of higher accruals quality among firms led by gender-diverse dyads compared to accruals quality reported by firms led by all-male CEO/CFO pairs. Additional analyses reveal that the auditors of firms with gender diverse executive dyads issue audit reports later, charge higher audit fees, and are more likely to be one of the Big 4 firms. These findings support the view that top executive gender diversity enhances financial reporting quality, which has important implications for corporate governance mechanisms.

**6:45 – 7:30 pm: Plenary #2: U.S. Airline responses to mandated disclosure of nonfinancial performance**  
Authors: Xiaozhe (Ben) Gu; Nandu Nagarajan; Akin Sayrak; Dhinu Srinivasan  
Presenter: Xiaozhe (Ben) Gu, University of Southern Indiana, United States  
Discussant: Ranjani Krishnan, Michigan State University, United States

**Abstract**

This paper provides evidence on US airlines’ responses to the U.S. Department of Transportation’s (DOT) mandated disclosure of non-financial performance. We find that while all three DOT measures are associated with customer complaints, airlines are more likely to improve on-time performance rather than mishandled bags and ticket over-sales following poor prior period performance. We also find that on-time performance is the only DOT measure that is associated with future accounting performance and is significantly associated with CEO compensation after controlling for financial performance and load factor. Overall, we provide new understanding of how organizations react to the disclosure of non-financial performance and use incentives to improve these measures. Our findings also have implications on how organizations view the trade-off between customer satisfaction and profitability in improving non-financial measures of performance.

**Session 3 (Tuesday, 7:45 – 9:15 pm) - Concurrent Session I**   
<https://us06web.zoom.us/j/85120346893>

**7:45 – 8:15 pm: The Queen Maker: Labor Unions' Support for Female Managers—Large Sample Evidence from US Establishments**  
Authors: Chen Chen; Xiaoxiao Yu  
7:45 – 8:00 pm: Presenter: Chen Chen, Monash University, Australia  
8:00 – 8:10 pm: Discussant: Hila Fogel-Yaari, University of Texas at Arlington, United States  
8:10 – 8:15 pm: Q&A  
  
**Abstract**

In this paper, we investigate whether labor unions play a role in supporting female leadership in the business world. Using establishment-level microdata, we show that higher labor union membership is positively associated with the likelihood of female plant managers. Further analysis reveals three potential reasons for why labor unions support female plant managers: (1) female plant managers are less likely to be associated with large-scale layoffs; (2) female plant managers prefer supporting the pro-feminist Democratic Party; and (3) unions want to achieve more female membership in the future. Last, we show that firm-level gender diversity policies have no plant-level labor union effect on female leadership.

**8:15 – 8:45 pm: Killing George Floyd Changed How Mutual Fund Managers are Hired**  
Authors: John Adams; Long Thai Bui; Yi-Ju Chien  
8:15 – 8:30 pm: Presenter: Yi-Ju Chien, University of Texas at Arlington, United States  
8:30 – 8:40pm: Discussant: Hila Fogel-Yaari, University of Texas at Arlington, United States  
8:40 – 8:45pm: Q&A  
  
**Abstract**

This paper investigates White and Black fund manager placements and outcomes. Fund manager information is collected manually through LinkedIn profiles, firm webpages, and Google searches. Artificial intelligence algorithms and human recognition are utilized to assign gender and ethnicity race from managers’ photographs and names. Fund attributes, including returns, size, investor flows are obtained from the Morningstar database. We begin by noting Black managers are underrepresented in fund industry; 1.3% and 80.4% of managers are Black and White, respectively, over the 2018-2022 period. We find that Black managers (of both genders) on average, are more likely to earn graduate degrees, but are less likely to have professional certification/license (CFA, CFP, CPA), and have less professional experience than White managers. With respect to performance, we find that Black managers outperformed White managers before Floyd murder, but the outperformance by Black managers diminished in post-Floyd era. At the same time, we find that Black manager hiring almost doubled after Floyd death.

**8:45 – 9:15 pm: Board Gender Diversity and Environmental, Social and Governance (ESG) Disclosure: Assessing the moderating role of country-level accountability**  
Authors: Shaista Wasiuzzaman; Effiezal Aswadi Abdul Wahab  
8:45 – 9:00 pm: Presenter: Effiezal Aswadi Abdul Wahab, Curtain University, Australia  
9:00 – 9:10 pm: Discussant: Fei (Phoebe) Gao, Singapore Institute of Technology, Singapore  
9:10 – 9:15 pm: Q&A  
  
**Abstract**

This paper investigates the relationship between board gender diversity and environmental, social, and governance (ESG) disclosure. Based on a sample of 3,456 firm-year observations from 37 countries, we find a positive relationship between board gender diversity and ESG disclosure. We extend this test by considering country-level accountability based on the World Bank database. We find that the relationship between board gender diversity and ESG disclosure is stronger for countries with a high level of accountability. The findings remain similar for countries with a high level of board efficacy. However, we find no results when we include the level of enforcement of accounting and auditing standards. Our results remain consistent for a battery of endogeneity and additional analyses.

Keywords: Board gender diversity; ESG disclosure; accountability

JEL classifications: G3, G14, M14, M41

**Session 4 (Tuesday, 7:45 – 9:15 pm)**

**Concurrent Session II**  
<https://us06web.zoom.us/j/88194046768>

**7:45 – 8:15 pm: Does perception of social irresponsibility affect a firm's dividend policy?**  
Authors: Pascal Nguyen; Nahid Rahman; Ruoyun (Lucy) Zhao   
7:45 – 8:00 pm: Presenter: Pascal Nguyen, University of Montpellier Management Institute, France  
8:00 – 8:10 pm: Discussant: Jivas Chakravarthy, University of Texas at Arlington, United States  
8:10 – 8:15 pm: Q&A

**Abstract**

This paper examines whether the reputational risk arising from media coverage of Corporate Social Irresponsibility (CSI) affects firm payout. Using US firms between 2007 and 2018, we find that firms with high reputation risk pay out more dividends and have a higher propensity of cash payout. The results support the prediction that dividend payout is used to mitigate the negative effect on reputation by signaling firms’ growth prospect and insider accountability to address the deficiency in their ESG practice. The cross-sectional analysis shows the effect of reputation risk on payout policy is stronger when firms have weak corporate governance and strong growth opportunities. We further confirm that dividend payout receives higher market valuation for companies with high reputation risks, supporting the credibility of dividend signaling. Our results are robust to using alternative payout measures and hold after addressing endogeneity concerns. Overall, we provide robust evidence that payout is used to mitigate reputation risks and media coverage plays a role in stimulating firms to behave in socially

responsible ways.

JEL classification: G14, G30, G32

Keywords: corporate reputation risks; dividend; payout; agency problems; signaling

**8:15 – 8:45 pm: Determinants and Consequences of Initial COVID-Related MD&A Disclosures**  
Authors: Michael Etteredge; Enayet Hossain; Lili Sun; Ke Wang  
8:15 – 8:30 pm: Presenter: Lili Sun, University of North Texas, United States  
8:30 – 8:40pm: Discussant: Yuan Ji, University of Texas at Arlington, United States  
8:40 – 8:45pm: Q&A  
  
**Abstract**

This study investigates the determinants and informativeness of initial corporate MD&A content in SEC 10-K filings in response to economic uncertainty during the Coronavirus-19 pandemic (COVID). The fundamental driver of the pandemic’s downside economic risk was the threat to human health. For companies headquartered in areas with higher COVID health risks, we find that COVID-related MD&A text is shorter and less readable; the text is also more repetitive and standardized. The language used in COVID-related MD&As is more pessimistic and uncertain in high-health-risk areas. Further, a more pessimistic tone of COVID-related MD&As is associated with worse subsequent firm performance, and a higher uncertainty in the language of COVID disclosures is associated with heightened post-filing information risk. These findings suggest that, although COVID’s impetus to extreme economic uncertainty reduced the amount and clarity of disclosure, the initial COVID-related MD&A text delivered to investors was still informative. Our results should be of interest to regulators in continuing efforts to improve the usefulness of MD&As.

Keywords: COVID; MD&A; narrative disclosure; economic uncertainty; information risk

**8:45 – 9:15 pm: Are PEVCs socially responsible? New insights from cross-country analyses**  
Authors: Amrit Panda; Soumya Guha Deb; Sankarshan Basu  
8:45 – 9:00 pm: Presenter: Amrit Panda, Indian Institute of Management Sambalpur, India  
9:00 – 9:15 pm: Q&A   
  
**Abstract**

The current study explores the impact of PEVC investment on the social engagement activities of their portfolio companies in a cross-country setup. Using panel dataset of 3,354 firm-year observations across 17 countries from 2015 through 2020, we show that institutional investors with dominant profit-seeking motive such as PEVCs tend to have a significantly negative influence on the social engagement practices of their investee firms. The pattern remains consistent across both developed as well as emerging countries and even after controlling for firm level traits such as firm size, age, leverage, cash holdings, etc. The ‘governance quality’ of the firms seems to have a moderating effect on this association. Our results remain robust even after a series of robustness tests.

Keywords: Private equity (PE), Venture capital (VC), Social engagement

JEL: G11, G24, G32

**January 4 (Wednesday)**

**Conference Moderator: Roberto Gonzalez**

**Session 5 (Wednesday, 4:25 – 5:30 pm) - Keynote Address**  
<https://us06web.zoom.us/j/85630938173>

**4:25 pm: Introduction to the keynote speaker by Prof. Bin Srinidhi**

**4:30 – 5:30 pm: Keynote Address: Prof. Ferdinand Gul, University of the Sunshine Coast, Queensland, Australia**

**Session 6 (Wednesday, 5:45 – 6:30 pm) - Plenary Session #3**  
<https://us06web.zoom.us/j/86587710264>

**5:45 – 6:30 pm: Plenary #3: Modeling Board Governance, Environmental Expertise, and Social Engagement Effects on Firm Environmental Performance: Panel Data Evidence**  
Authors: Daehyun Kim; Michael Marin; Gordon Richardson; Steven Salterio; Albert Tsang  
Presenter: Gordon Richardson, Rotman School of Management, University of Toronto  
Discussant: Jeff Chen, Texas Christian University, United States

**Abstract**

Prior research establishes that board governance quality measures positively impact firm environmental performance. In this study, we propose an empirical model using structural equation modeling (SEM) to explore additional enhancements to board governance, namely board environmental expertise (BEE) and board social engagement (BSE) and show that they incrementally improve firm environmental performance (EN). Our proposed latent construct measure, BEE, goes beyond traditionally dichotomous measures used in the literature. BEE has a total effect on firm environmental performance that is over two thirds the size of effects arising from traditional governance quality measures (GOV). The second enhancement of our model is the focus on BSE, a novel construct to the CSR literature. In addition to possessing environmental knowledge enabling expertise, we demonstrate that a board with a deeper commitment to society will further improve firm environmental performance. Using SEM, we find that the indirect effects of GOV, BEE, and BSE on EN represent a substantial portion of the total effects on EN. Hence, ignoring these indirect effects would result in substantial understatement of the effects of improvements to governance on environmental performance.

**Session 7 (Wednesday, 6:45 – 8:15 pm) - Concurrent Session III**   
<https://us06web.zoom.us/j/81634313403>

**6:45 – 7:15 pm: It’s who you know that counts: Board external connections and demand information distortions along supply chains**  
Authors: Long Thai (David) Bui; Nandu Nagarajan  
6:45 – 7:00 pm: Presenter: Long Thai (David) Bui, University of Texas at Arlington, United States  
7:00 – 7:10 pm: Discussant: Ram Venkataraman, University of Texas at Arlington, United States  
7:10 – 7:15 pm: Q&A  
  
**Abstract**

In this paper, we examine whether directors' external connections (DEC) can mitigate the negative effect of supply chain demand information distortions on firm performance for firms with higher supply chain hierarchy positions (SCHP). We document that DEC provides management with valuable information which helps to mitigate the negative impact of demand information distortions on operating efficiency. We perform several mechanism tests to support our main informational role hypothesis. We document that DEC not only directly improves management’s forecast ability but also moderates the adverse effect of SCHP on management forecast accuracy. Using supplier-customer dyad analysis, we document that there exists a management forecast bias spillover from customers to suppliers and this spillover is mitigated by the supplier’s director external connections. Our results hold after controlling for the endogenous nature of board external connections using two-stage least squares.

**7:15 – 7:45 pm: IFRS16 Induced Comparability: Equity Valuation and Management Performance Assessment**  
Authors: Bing Chen; Juergen Seufert  
7:15 – 7:30 pm: Presenter: Juergen Seufert, University of Shanghai of Science and Technology, China  
7:30 – 7:40 pm: Discussant: Chandrani Chatterjee, University of Texas at Arlington, United States  
7:40 – 7:45 pm: Q&A

**Abstract**

We examine the comparability of accounting information under IFRS-16 lease accounting standard. IFRS foundation has enforced IFRS-16 on entities with reporting periods starting on or after January 2019 requiring leases in excess of one year to be recognized as right of use asset and lease liability on a lessee’s balance sheet. We argue that the comparability sought with lease capitalization for the purpose of equity valuation and management evaluation is only partially enhanced. Using a 2x2x2 experiment design we show that retail investors favor owing over leasing for the acquisition of additional assets. The magnitude of obstruction depends on investors information acquisition objective for either management performance assessment or equity valuation. Independent of the investors’ purpose, there is a need for further disclosure to enable retail investors to refine their understanding about the lease arrangements. These results should be of interest to IFRS foundation for their further calibration of lease accounting and disclosure requirements.

**Keywords**: IFRS-16, leasing, management performance assessment, equity valuation.

**7:45 – 8:15 pm: Suppliers' Public Relations Efforts and Trade Credit Provision**  
Authors: Chuchu Liang; Jeffrey Ng; Walid Saffar; Hanzhong Shi  
7:45 – 8:00 pm: Presenter: Chuchu Liang, University of California Irvine, United States  
8:00 – 8:10 pm: Discussant: Long Thai (David) Bui, University of Texas at Arlington, United States  
8:10 – 8:15 pm: Q&A

**Abstract**

Public relations (PR) can enhance a firm’s reputation and thus increase its bargaining power in interactions with various stakeholders. Our paper extends research on the product market effects of PR by investigating how suppliers’ PR efforts affect the trade credit they provide to their customers. Using novel hand-collected data on the hiring of external PR agencies and on one-to-one supplier-customer trade credit relationships, we find a negative association between PR and trade credit provision, consistent with suppliers leveraging their PR-induced enhanced bargaining power to reduce costly trade credit provision. To further examine the bargaining power channel, we consider conditions under which having more bargaining power is likely to be more important in reducing costly trade credit provision. We find that the negative association is more pronounced when the customer relies less on the supplier, when the supplier-customer relationship is shorter in duration, when there is lower cross-ownership by common institutional investors between the supplier and the customer, and when the supplier faces more financial constraints. Our findings suggest that the beneficial effects of PR efforts in the supply chain extend from sales to the financing of sales.

Keywords: Bargaining power; PR; Supplier-chain; Trade credit

JEL classifications: G30; G32; M31; M40

**Session 8 (Wednesday, 6:45 – 8:15 pm) - Concurrent Session IV**   
<https://us06web.zoom.us/j/83150986608>

**6:45 – 7:15 pm: Human Capital Information Complementarities and Analyst Forecast Performance**   
Authors: Simon Fung; Lawrence (Hong) Huang  
6:45 – 7:00 pm: Presenter: Lawrence (Hong) Huang, Deakin University, Australia  
7:00 – 7:10 pm: Discussant: Xiaozhe (Ben) Gu, University of Southern Indiana, United States  
7:10 – 7:15 pm: Q&A  
  
**Abstract**

We provide evidence suggesting that financial analysts obtain human capital information complementarities in issuing earnings forecasts when they cover cross-industry firms in their portfolios. After controlling for the broker fixed effects, non-random matching of analysts to firms, and fundamentals of covered firms, we find that analysts covering cross-industry firms with similar human capital profiles issue more accurate earnings forecasts and investors recognize their better forecast performance. These analysts also have a larger improvement in forecast performance following exogenous labor shocks, and they play a larger role in cross-industry information transfer. Further, the effects of human capital information complementarities on forecast performance are more pronounced for covered firms with higher labor intensity, higher labor productivity, higher unionization rates, and more complex human capital profiles. Overall, our findings suggest that commonalities in cross-industry firms’ human capital result in an information advantage for analysts covering these firms in their portfolios.

Keywords: analyst forecast accuracy, market reaction to forecast announcements, information complementarities, human capital relatedness

JEL codes: D80, G14, G24, M41

**7:15 – 7:45 pm: MiFID II effects: Dynamics between sell-side and buy-side brokers and exodus of non-EU analysts from Europe markets**Authors: Fei (Phoebe) Gao; Chu Yeong Lim7:15 – 7:30 pm: Presenter: Fei (Phoebe) Gao, Singapore Institute of Technology, Singapore  
7:30 – 7:40 pm: Discussant: Lawrence (Hong) Huang, Deakin University, Australia  
7:40 – 7:45 pm: Q&A

**Abstract**

MiFID II is a regulation implemented to mitigate against analyst conflict of interest by requiring brokerage firms to unbundle research services from commission revenues. The effects of MiFID II on the quality of research and analyst behaviour have been debated. Our study contributes to the stream of literature and policy debate by showing that after MiFID II the proportion of brokers based in MiFID countries increased significantly relative to brokers based in non-MiFID countries. The number of sell-side analysts and buy-side analysts decreased significantly after MiFID II, with the decrease coming from non-EU brokerages. There was no change to the number of EU sell-side brokerages while the number of EU buy-side analysts increased after MiFID II.

JEL classifications: G15, G24, M28

Keywords: Regulation, Analyst, Investment Banking

**7:45 – 8:15 pm: What Shapes My Style? The Effects of Journalists' Home Bias on Media Sentiment of Misconduct Firms**  
Authors: Jiaxing You; Libing Qin; Jingjing Xia  
7:45 – 8:00 pm: Presenter: Jingjing Xia, Wenzhou-Kean University, China  
8:00 – 8:10 pm: Discussant: Xin Zhou, University of Texas at Arlington, United States  
8:10 – 8:15 pm: Q&A

**Abstract**

This paper explores the behavioral factors that affect journalists’ idiosyncratic reporting styles by examining the effects of home bias on the sentiment of the news articles they write about firms under misconduct investigation. Using a generalized difference-in-difference design, we find that home journalists, defined as those whose hometown is in the same city as the misconduct firm’s registration address, have significantly more positive reporting sentiment about the firm in the investigation period than non-home-journalists. Their more positive sentiment is not correlated with better contemporaneous firm performance, suggesting that it is unlikely to be attributed to information advantage. The effects of home bias are attenuated by journalist expertise about the misconduct firm and its industry. However, other factors that have been commonly shown to reduce behavioral bias, such as journalist age and firm information environment proxies, are not associated with lower home bias. Stock investors do not seem to account for journalist home bias when reacting to news article sentiment in the investigation period, and there is evidence that home journalists’ coverage of the misconduct firm impedes the market’s price discovery about future investigation outcome. These findings provide an initial step to open the black box of the determinants of individual journalists' reporting styles.

JEL codes: G14; G40; M41

Keywords: individual decision-makers, journalists, home bias, media sentiment, stock returns.

**January 5 (Thursday)**

**Session 9 (Thursday, 9:00 – 1:30 pm) - Ph.D. Consortium**  
<https://us06web.zoom.us/j/89881844905>

8:55 am: Introduction of Prof. Dan Simunic and Prof. Nandu Nagarajan by Chandrani Chatterjee

**9:00 – 10:00 am: Keynote address by Prof. Dan Simunic, Simon Fraser University, Canada**

**10:00 – 11:00 am:** **Keynote address by Prof. Nandu Nagarajan, University of Texas at Arlington, United States**

**11:30 am – 1:30 pm: Proposal Presentations and Panel Feedback**

**Panel members:**

Dan Simunic, Simon Fraser University, Canada

Nandu Nagarajan, University of Texas at Arlington, United States

Jeff Chen, Texas Christian University

Zhifeng Yang, State University of New York at Stony Brook

Gowri Bhat, Southern Methodist University

**11:30 am – 12:00 pm: Do financial development and governance quality induce private investment? Panel evidence from Sub-Saharan African Economies**  
Presenter: Shreya Pal, Indian Institute of Technology Kharagpur, India

**12:00 – 12:30 pm:** **What information can Critical Audit Matters provide?**  
Presenter: Rob Gonzales, University of Texas at Arlington, United States

**12:30 – 1:00 pm:** **Opposites Attract? The Effect of Gender Difference between Client CFO and External Auditor on the Audit Outcome**  
Presenter: Xin Zhou, University of Texas at Arlington, United States

**1:00 – 1:30 pm: SEC Filing Reviews and Analyst Forecast Accuracy: The Impact of Forecast Horizon**  
Presenter: Wentao Ma, Australian National University, Australia