

Good Example Proposal

Management Control System Design for the Psychologically Entitled: Incentives, Monitoring, and Deviance

A Proposal to the Institute of Management Accountants

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Management Control System Design for the Psychologically Entitled: Incentives, Monitoring, and Deviance

Executive Summary

Psychological entitlement is becoming more and more prevalent in today's workforce (Alsop, 2008; Twenge, 2006; Campbell et al., 2004). As such, companies must learn how to manage entitled employees (Harvey & Martinko, 2009). Psychological entitlement is a stable and pervasive sense of deservingness that is experienced across situations (Campbell et al., 2004). Psychologically entitled individuals feel they are more deserving than others, even when compared to an objectively similar group. They are resistant to feedback, inclined to overestimate their talents and accomplishments, and tend to blame others for mistakes (Mueller, 2012). High levels of psychological entitlement have a pervasive and largely unconstructive impact on social behavior (Campbell et al., 2004).

This study uses an experimental methodology to examine how management control systems can use incentives and controls to align employee behavior with organizational objectives, and how these management control systems can best be modified to manage employees with a high sense of psychological entitlement. Psychological entitlement is measured with an established scale administered via an online survey approximately 2 weeks prior to the experiment. For the experiment, participants are asked to complete a packet of mazes (Freeman and Gelber 2010). Participants are paid based on the number of mazes *they report* as correctly completed. This setup allows us to measure effort (how many mazes were correctly completed) and employee deviance (participant misreporting of the number of mazes correctly completed). The experimental design manipulates two factors. First, one of three incentive systems will be randomly assigned to study participants [fixed wage, piece-rate, and stretch-goal (in the stretch-goal condition, high-performing participants will receive large bonuses)]. Second, the control system will be manipulated by the extent of monitoring expected by participants. Specifically, in the high monitoring condition participants will be told that their efforts and reported scores will be reviewed and verified. They will also turn their completed task packets into a box labeled "research study." In the low monitoring condition, participants will not be told about any monitoring of their work and reported scores. They will also turn their completed task packets into a recycle bin.

With the data gathered from this experiment, we can shed light on important research questions relevant to today's workplace. First, to what extent does psychological entitlement negatively affect effort and workplace deviance? Second, and perhaps more important, how can companies best use management control systems to align employee motivations with organizational objectives? Given the increasing levels of psychological entitlement manifest in the Millennial workforce, the answer to these questions can have far-reaching effects for many types of organizations. In addition, the results can add to extant literature on the design of management control systems as well as increase our understanding of psychological entitlement in general.

I. Research Objectives and Literature Review

Management controls are those activities, practices, values, and policies that are put in place by management to motivate and direct employee behavior (Malmi & Brown, 2008). These include sets of procedures, feedback mechanisms, standards of performance, and compensation contracts. The underlying goal of a management control system (MCS) is to encourage employee compliance with the control system by motivating employees' work efforts and preventing actions that would be damaging to the firm's operations, reporting, and overall value. Compliance with the control system is necessary for the MCS to be effective. If employees' behavior deviates from what is expected or desired, the organization may struggle to realize its objectives.

Much of the management control systems design research has relied on contingency theory to examine the factors that affect whether organizational objectives are achieved (Chenhall, 2003; Fisher, 1995). Contingency theory's central premise is that there is no universally appropriate control system that applies to all circumstances. Prior research has examined how consideration should be given to the nature of the business environment, technology, the size of the firm, the firm's structure, and the firm's strategy (Chenhall, 2003). To a much lesser extent, research has taken into account the nature of the people who interact with the management control system (Dworkis et al., 2012; Dohmen & Falk, 2011). It seems reasonable that the proper design of a MCS can be contingent upon the people for whom the system is designed.

People have individual differences in how they think, feel, and believe. They have different preferences, traits, abilities, motivations, attitudes, values, and interests that can account for variation in performance or behavior (Ones & Viswesvaran, 2011; Kuncel et al., 2010). This study explores how individual differences in one such trait, psychological entitlement, may be

related to deviant workplace behavior and how it may influence the effectiveness and design of management control systems. More specifically, the study examines whether high levels of psychological entitlement are associated with control system non-compliance, manifested by either a lack of focused work effort or deviance.

Psychological entitlement is a stable and pervasive sense of deservingness that is experienced across situations (Harvey & Martinko 2009; Campbell et al. 2004). Psychologically entitled individuals feel a sense of superiority to others, especially those in similar positions to themselves. Psychological entitlement refers to a relatively stable belief that one deserves preferential rewards with little consideration of actual deservingness from genuine qualities or real performance levels (Harvey & Martinko 2009; Campbell et al. 2004). Entitled individuals have been described as resistant to feedback, inclined to overestimate their talents and accomplishments, and likely to blame others for mistakes (Mueller, 2012). High levels of psychological entitlement have been shown to be linked to a propensity towards unethical behavior, corruption, dissatisfaction with one's life, conflict with supervisors, perceived inequities, high pay expectations, low levels of job satisfaction, and high levels of turnover intent (Harvey and Harris 2010; Harvey and Martinko 2009; Levine 2005; King and Miles 1994). High levels of psychological entitlement have also been said to have a pervasive and largely unconstructive impact on social behavior (Campbell et al. 2004).

Feelings of entitlement are increasingly being cited as a cause of frustration and problems for business managers (Graves 2012; Harvey & Harris 2010; Twenge 2010; Twenge & Campbell 2009; Alsop 2008; Trzesniewski et al. 2008; Twenge et al. 2008; Campbell et al. 2004). As described in a *New York Times* article about entitled employees, "The mind-set is 'I don't have to give much but I expect my employer/boss/co-worker will give me something—respect, pay,

promotions, etc.,--just *because*” (Mueller, 2012). A “sense of entitlement” has recently seen an increased focus in academe and the popular press. While this “sense of entitlement” can be seen in workers of all ages (in fact, we have observed a great deal of variance *within* the Millennial generation), the attitudes and behaviors of the Millennial generation has helped spur on discussions about entitlement (Graves, 2012; Twenge & Campbell, 2009; Alsop, 2008; Twenge et al., 2008) (Campbell et al., 2004). Research in management and accounting has recently begun to explore the effect of psychological entitlement in the workplace and the effectiveness of various MCS design features in managing entitled employees (Holderness et al. 2014; Fisk 2010; Harvey and Harris 2010; Harvey & Martinko 2009; Fisk 2009). The development of the Psychological Entitlement Scale by Campbell et al. (2004) has greatly facilitated the measurement and study of psychological entitlement. This scale has 9 questions on a 7-point likert scale and can be found in Appendix A.

One reason why psychological entitlement may be worth considering in a MCS context is that it influences an individual’s perceptions of fairness and justice. As feelings of entitlement become more common in the workforce, there may be an increased likelihood that employees will perceive unfairness or injustice in the workplace. Perceptions of unfairness can negatively affect how employees feel toward their employer, leading to lower feelings of alignment or congruency and a diminished attitude of conformity to employer demands represented by the MCS. A more negative attitude of control compliance signals conflicting interests between an employee and employer, and is a hallmark problem of management systems as lower employee attitudes are related to less-desirable work performance and deviant behavior (Schinkel, 2011; Litzky et al., 2006). As such, consideration of how individual differences in psychological

entitlement affect employees' perception of the MCS, and how these perceptions affect employees' attitudes and behavior is essential to effective MCS design.

This paper is a first step in examining how psychological entitlement is related to deviant workplace behavior, which is considered to be a manifested outcome indicating diminished management control system effectiveness. The research questions and hypotheses of this study are described as follows.

Psychological entitlement affects individuals' perceptions of outcomes related to fairness or injustice because highly entitled individuals feel their inputs are better and more deserving of reward than they actually are (Fisk, 2010). They will thus often perceive injustice and feel a sense of unfairness (Giacalone, 1985). Highly entitled individuals feel a sense of superiority to others and that they therefore deserve favorable or special treatment. They demonstrate an inflated sense of self-worth and self-serving attribution biases such that even when they receive rewards that are commensurate with their performance, feel short-changed. This can create problems for the incentives designed to encourage employee effort and employee compliance with controls. This leads us to ask the following research question:

Research Question 1: How does psychologically entitlement affect employees' effort levels under different incentive schemes?

The research about how psychologically entitled employees respond to different incentive schemes is largely unexplored. Research has shown that employee effort is greater under performance-contingent incentive schemes than fixed incentive schemes (Kachelmeier et al. 2008; Sprinkle 2000; Chow 1983). However, incentive-pay schemes also provide motivation for employee deviance (i.e., misreporting). Our study has three distinct incentive schemes: fixed pay, piece-rate, and stretch-goal (where subjects receive a large bonus if a target performance is achieved and nothing if it is not). We expect that performance and misreporting will increase

under the piece-rate scheme relative to the fixed pay scheme. Furthermore, we expect performance and misreporting to further increase under a stretch-goal scheme as incentives to reach performance targets increase.

In the absence of performance monitoring, incentive-based pay is likely to boost reported performance through both genuine (greater effort) and questionable (misreporting) behaviors relative to a fixed wage. We expect that when subjects are told that their results will be reviewed at a later date, over reporting will be influenced by psychological entitlement. Specifically, monitoring will have a greater effect on subjects with greater psychological entitlement such that entitled individuals' over reporting will decrease.

An important determinant of the effectiveness of an incentive scheme is how fair employees consider the outcomes to be. When individuals perceive outcomes to be unfair, they are more likely to engage in deviant workplace behavior or unethical behavior (Litzky et al., 2006). Psychological entitlement affects fairness assessments such that a highly entitled individual is more likely to perceive outcomes to be unfair and thereby be motivated to engage in counterproductive workplace behaviors (Martinko et al. 2002). This is important for management control system design because a major objective of the system is to prevent such actions from taking place and imposing negative and costly consequences to the firm.

Hypothesis 1: Psychological entitlement is associated with deviant behavior.

Due to the possibility of deviance, monitoring can be used as a preventative control that reduces the opportunity to engage in deviant acts such as employee theft or over reporting performance. While performance-contingent pay can provide incentive to claim completion of more “units” than actual completed, a monitoring mechanism that observes completion of work or audits the reported performance can deter such deviant behavior from taking place.

Monitoring can also encourage greater focused effort by keeping employees on task and mindful of their responsibilities.

We focus on monitoring rather than other control mechanisms in this study. Due to the dual-motivating nature of incentive-pay schemes (i.e., they incentivize effort and over reporting), MCS often combine incentive-pay compensation systems with a performance monitoring mechanism to provide additional encouragement for employees to work towards employers' objectives and to discourage undesirable behaviors. Monitoring can encourage greater focused effort by keeping employees on task and mindful of their responsibilities. Monitoring can also be used as a preventative control that reduces the opportunity to engage in undesirable acts such as over reporting performance. While performance-contingent pay can provide incentive to over report, a monitoring mechanism that observes the completion of work or audits the reported performance can deter such behavior from taking place. As such, the presence of performance monitoring generally leads to greater task performance and lower misreporting.

It is possible that psychologically entitled employees may push back against the presence of a monitor, diminishing the potential benefits of monitoring (e.g., higher task performance, lower misreporting, etc.). For example, Harvey & Harris (2010) show that entitled employees experience greater job frustration with relatively high levels of supervisor communication. In this case, the form of monitoring may also be significant. In the present study, monitoring is a subtle manipulation of the expectation of performance being verified. In Harvey & Harris (2010), monitoring was the frequency with which a supervisor communicated with an employee. In their study, greater monitoring (more frequent) exacerbated problems, which makes sense in as much as more invasive forms of monitoring such as increased supervision can signal distrust or lack of confidence in an employee that likely agitates entitled individuals. In contrast, the form of

monitoring examined in the present study holds the frequency constant and at a low level and manipulates the sheer presence of an expectation that performance monitoring will be taking place. Individuals in our monitoring condition are given tasks requirements and then left to work uninterrupted as they see fit, knowing that their work will be verified at a later time by a someone in a supervisory position. We argue that the presence of non-invasive performance monitoring (i.e., establishing clear expectations that performance will be verified) can actually be beneficial for psychologically-entitled individuals.

Hypothesis 2: Monitoring moderates the relationship between psychological entitlement and employee effort.

Hypothesis 3: Monitoring moderates the relationship between psychological entitlement and deviant behavior.

Overall, this study attempts to shed light on how psychological entitlement can affect design choices for management control systems. As the younger generation which has been described as highly entitled continues to enter the workforce, more and more managers will have to deal with potential problems with entitled employees.

II. Research Methodology

The IRB at Iowa State University and West Virginia University reviewed and approved this study. The study uses an experimental methodology to examine how management control systems can use incentives and controls to align employee behavior with organizational objectives, and how these management control systems can best be modified to manage employees with a high sense of psychological entitlement. Study participants were recruited from introductory business classes. Because of the nature of the study and the related materials, no specialized background is necessary. Approximately 2 weeks before the research study, participants completed a Qualtrics survey that gathered demographic information as well as

psychological scales that assess psychological entitlement, locus of control, work ethic, and spatial awareness. In addition, students submitted information on their availability to participate in the experimental portion of the study.

During the experiment, participants were asked to complete a packet of mazes in two sessions – a practice round, and a production round (Freeman and Gelber 2010). Participants were paid based on the number of mazes *they report* as correctly completed during the production round. Following the experiment, we will count how many mazes were correctly completed (a measure of effort) and note any participant misreporting of the number of mazes correctly completed (a measure of employee deviance).

The experimental design manipulates two factors. First, one of three incentive systems will be randomly assigned to study participants [fixed wage, piece-rate, and stretch-goal (in the stretch-goal condition, high-performing participants will receive large bonuses)]. Second, the control system will be manipulated by the extent of monitoring expected by participants. Specifically, in the high monitoring condition participants will be told that their efforts and reported scores will be reviewed and verified. They will also turn their completed task packets into a box labeled “research study.” In the low monitoring condition, participants will not be told about any monitoring of their work and reported scores. They will also turn their completed task packets into a recycle bin.

A computer program was developed to record the responses of individuals to an excel spreadsheet. Upon completion of the experiment, students went to a separate room where they received their payment.

III. Contributions to the Managerial Accounting Profession

Psychological entitlement is becoming more and more prevalent in today's workforce due to a shift in workforce demographics. Consequently, it behooves companies to gain a greater understanding of psychological entitlement and its organizational affects. This research project will make several contributions to the extant academic literature. First it will increase our understanding of the consequences of psychological entitlement in the workplace. Current literature shows several negative effects of psychological entitlement. However, little is known about the effect of psychological entitlement on workplace deviance. The results of this study are therefore pertinent to employers. Second, this study will provide valuable information on how the design and implementation of management control systems can attenuate the negative consequences of psychological entitlement. Companies and other organizations can use the results of this study to better manage their employees and achieve organizational objectives.

IV. Research Timeline and Deliverables

The research study will be carried out in accordance with the following timeline:

Dec 2013	<input checked="" type="checkbox"/> Seek IRB Approval
Dec 2013	<input checked="" type="checkbox"/> Develop Research Study Software
Jan 2014	<input checked="" type="checkbox"/> Run Pilot Study
Jan-Feb 2014	<input checked="" type="checkbox"/> Recruit Participants
Feb-Mar 2014	<input checked="" type="checkbox"/> Run Experiment
Mar-Aug 2014	<input type="checkbox"/> Analyze Data
May-Jun 2014	<input type="checkbox"/> Complete Working Paper
Aug 2014	<input type="checkbox"/> Submit to MAS conference
Aug 2014	<input type="checkbox"/> Submit to BYU Accounting Symposium
Jan 2015	<input type="checkbox"/> Submit to AAA regional meetings
Jan 2015	<input type="checkbox"/> Submit to AAA annual meeting

Nov 2014-July 2015

Revise Working Paper

Aug 2015

Submit to Academic Journal

Dec 2015

Submit related Strategic Finance article

Based on the topic and novelty of this research study, the paper will be targeted to one of the following journals: The Accounting Review; Journal of Accounting Research; Accounting, Organizations, and Society; Contemporary Accounting Research; Journal of Management Accounting Research; Behavioral Research in Accounting. We also plan on writing a practitioner-oriented manuscript to be submitted to *Strategic Finance*.

V. Use of Human Subjects

This study requires the use of human subjects. Participants will be recruited from Iowa State University and the West Virginia University. Participation in the study will be completely voluntary. In addition, participants will not experience any more stress than encountered during their daily lives. Participants will be required to give consent to participate in the study. The information collected will not be sensitive in nature. All responses will be kept confidential and will be available only to the authors of this study. Approval for this study has been granted by the Iowa State University Institutional Review Board and the West Virginia University Institutional Review Board and is included with our submission.

VI. Proposed Budget

The design of the experiment is a 2 (psychological entitlement: high, low) x 2 (control environment: high, low) x 3 (incentive scheme: flat, piece-rate, stretch goal) between-study design. This means that there are 12 experimental conditions. We intend to have 30 participants in each cell, which equals 360 participants. Because of the inability to control psychological

entitlement (it is based on a measure variable), we would like to recruit a total of 400 participants. Based on pilot study data, we anticipate paying participants an average of \$15. In addition, we would like to request money for printing costs, as the maze packets are rather large. The total grant request is for \$16,000.

Budget Item (Detail)	Estimated Amount
Subject Stipends (400 participants * \$15 compensation)	\$ 6,000
Printing costs (80 pages per packet * 400 packets * \$0.025/page)	800
Journal Submission Fees (e.g. The Accounting Review)	200
Summer Research Support Stipend (\$3,000 per researcher)	9,000
	\$ 16,000

VII. Summary of Researcher Qualifications

D. Kip Holderness Jr., PhD, CPA, CMA, CFE

Kip Holderness is an Assistant Professor of Accountancy at West Virginia University, where he currently teaches managerial accounting. Kip earned his B.S. and M.S. in accounting from Brigham Young University in 2009 and his PhD from Bentley University in 2013. His research interests span the areas of auditing, managerial, and forensic accounting and include examining employee deviance and fraud.

Kari Joseph Olsen, CMA, CPA

Kari is a PhD student at the University of Southern California. He earned his B.S. and M.S. in accounting from Brigham Young University in 2009. His interests include behavioral issues in accounting, management control system design, and performance measurement.

Todd A. Thornock, PhD, CPA

Todd Thornock is an Assistant Professor of Accounting at Iowa State University. He teaches both undergraduate and graduate level managerial accounting. Todd received his Ph.D.

in accounting from the University of Texas at Austin in 2011. He graduated from Brigham Young University in 2002 with a Bachelors and Masters in Accounting. His research interests focus on economic and psychological factors affect managerial decision making and effort, such as monetary incentives, performance feedback, information communication, and both formal and informal controls.

APPENDIX A— Psychological Entitlement Scale (Campbell et al. 2004)

Please respond to the following items using the number that **best reflects your own beliefs** based on the following 7-point scale:

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Disagree Somewhat	Neither Agree Nor Disagree	Agree Somewhat	Agree	Strongly Agree

- Q1** I honestly feel I'm just more deserving than others.
- Q2** Great things should come to me.
- Q3** If I were on the Titanic, I would deserve to be on the *first* lifeboat!
- Q4** I demand the best because I'm worth it.
- Q5** I do not necessarily deserve special treatment.
- Q6** I deserve more things in my life.
- Q7** People like me deserve an extra break now and then.
- Q8** Things should go my way.
- Q9** I feel entitled to more of everything.

APPENDIX B— Abbreviated Curricula Vitae of Researchers

D. Kip Holderness Jr., PhD, CPA, CMA, CFE

Education

Ph D, Bentley University, 2013.
Major: Accountancy
Dissertation Title: Detecting Deception in Client Inquiries

BS, Brigham Young University, 2009.
Major: Accountancy

MS, Brigham Young University, 2009.
Major: Accountancy

Professional Positions

Academic

Assistant Professor, West Virginia University. (July 1, 2013 - Present).

RESEARCH

Published Intellectual Contributions

Refereed Journal Articles

Holderness, Jr., D. Kip (in press). Detecting deception in client inquiries: A review and implications for future research. *To appear in Journal of Forensic and Investigative Accounting.*

Presentations Given

Holderness, Jr., D. Kip, Olsen, K. J. (Presenter & Author), Thornock, T. A. (Presenter & Author), BYU Accounting Research Symposium, "Designing feedback systems for an entitled generation: How psychological entitlement moderates the relation between performance feedback and individual effort," Brigham Young University, Provo, UT. (October 11, 2013).

Holderness, Jr., D. Kip, BYU Accounting Research Symposium, "The effect of multiple auditors on deception detection in a client inquiry setting," Brigham Young University, Provo, UT. (October 11, 2013).

Holderness, Jr., D. Kip, Olsen, K. J., Thornock, T. A., WVU Accounting Research Workshop, "Designing feedback systems for an entitled generation: How psychological entitlement

moderates the relation between performance feedback and individual effort," WVU Accounting Department, Morgantown, WV. (September 13, 2013).

Holderness, Jr., D. Kip, AAA Annual Meeting, "The effect of multiple auditors on deception detection in a client inquiry setting," American Accounting Association, Anaheim, CA. (August 5, 2013).

Holderness, Jr., D. Kip, Sultan, J. (Author Only), IFP Summer 2013 Meeting, "Asset Misappropriation Fraud and the Economy: An Experiment," Institute for Fraud Prevention, Washington, D.C.. (June 13, 2013).

Contracts, Grants and Sponsored Research

Grant

Holderness, Jr., D. Kip (Co-Principal), Sultan, J. (Co-Principal), "Embezzlement and the Economy: An Experiment," Sponsored by Institute for Fraud Prevention, Private, \$10,000.00. (May 10, 2013 - June 19, 2013).

Intellectual Contributions in Submission

Book Chapters

Holderness, Jr., D. Kip. In David Hay, W. Robert Knechel, and Marleen Willekens (Ed.), *Continuous Auditing*. The Routledge Companion to Auditing. *Forthcoming*.

Refereed Journal Articles

MacLean, T., Litzky, B. E., Holderness, Jr., D. Kip. When organizations don't walk their talk: A cross-level examination of how decoupling formal ethics programs affects organization members. *Journal of Business Ethics*. *Forthcoming*.

Holderness, Jr., D. Kip, Myers, N. M., Summers, S. L., Wood, D. A. Accounting education research: Ranking institutions and individual scholars. *Issues in Accounting Education*. *Forthcoming*.

Licensures and Certifications

Certified Management Accountant, Institute of Management Accountants. (December 13, 2013 - Present).

Certified Fraud Examiner, Association of Certified Fraud Examiners. (April 9, 2012 - Present).

Certified Public Accountant, American Institute of Certified Public Accountants. (June 4, 2010 - Present).

Professional Memberships

American Institute of Certified Public Accountants. (July 2013 - Present).

Institute of Management Accountants. (December 19, 2012 - Present).

Association of Certified Fraud Examiners. (April 9, 2012 - Present).

American Accounting Association. (October 21, 2011 - Present).

Kari Joseph Olsen, CMA, CPA

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Employment

University of Southern California

Research Assistant, Marshall School of Business (2010 – expected 2015)

Brigham Young University-Hawaii

Instructor (2010)

Brigham Young University

Instructor (2010)

Research Assistant, Marriott School of Business (2007 – 2009)

Education

University of Southern California

PhD in Business Administration—Accounting (2010 – expected 2015)

Brigham Young University

M.S., Accountancy (2006 - 2009)

B.S., Accountancy

Minor in Economics

Research

Publications

Olsen, K.J., Dworkis, K.K., and Young, S.M. (*Forthcoming* 2014). CEO Narcissism and Accounting: a picture of profits. *Journal of Management Accounting Research*.

Swain, M.R. and Olsen, K.J. (2012). From Student to Accounting Professional: A Longitudinal Study of the Filtering Process. *Issues in Accounting Education*. Vol. 27, No. 1. Pp. 17-52.

Working Papers

Dworkis, K.K., Olsen, K.J., and Young, S.M. (2014). The Me Generation and Management Control System Design: A Comparative Study of Baby Boomers, Generation X, and Millennials.

Holderness, D.K., Olsen, K.J., and Thornock, T.A. (2014). Designing Feedback Systems for the Entitled: How Psychological Entitlement Moderates the Relation between Performance Feedback and Individual Effort. Under Review at *The Accounting Review*.

Work in Process

Young, S.M., Dworkis, K.K., Du, F., and Olsen, K.J. (2014). It's All About All of Us – The Rise of Global Narcissism and Its Implications for Management Control System Research. Writing stage.

Holderness, D.K., Olsen, K.J., and Thornock, T.A. (2014). Management Control System Design for the Psychologically Entitled: Incentives, Monitoring, and Deviance. Data collection and writing phase.

Teaching Experience

University of Southern California

Instructor—Spring 2013

- Introduction to Managerial Accounting (student evaluations: 4.87 / 5.00)

Brigham Young University-Hawaii

Instructor—Summer 2010

- Introduction to Managerial Accounting
- Introduction to Financial Accounting

Brigham Young University

Instructor—Winter 2010

- Introduction to Financial Accounting

Professional Service

Committees

American Accounting Association

Student Member of the Membership Advisory Committee (2011—current)

TODD A THORNOCK, PhD, CPA

Assistant Professor of Accounting
Iowa State University
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ADDRESS

3335 Gerdin Business Building
Ames, IA 50011-1350
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EDUCATION

PhD in Accounting, The University of Texas at Austin (August 2011)
Major Area – Managerial Accounting; Supporting Fields – Organizational Theory and Applied Statistics

Master of Science in Accounting, The University of Texas at Austin (August 2009)

Master of Accountancy, Brigham Young University (April 2002)
Concentration – Professional Accounting; Minor – Information Systems

Bachelor of Science, Brigham Young University (April 2002)
Major – Accounting; Minor – Spanish; *Cum Laude*

Associates of Science and Art, Ricks College (August 1996)
Concentration: General Studies/Business; *Honors Program*

RESEARCH AND TEACHING INTERESTS

Research: Reward system design, performance feedback, budgetary reporting, learning, goal-setting, personality measures

Teaching: Managerial accounting, behavioral accounting research, accounting information systems

PUBLICATIONS

Krumwiede, K. R., M. R. Swain, T. A. Thornock, and D. L. Eggett. 2013. The effects of task outcome feedback and broad domain evaluation experience on the use of unique scorecard measures. *Advances in Accounting* 29: 205–217.

WORKING PAPERS

Kachelmeier, S. G., T. A. Thornock, and M. G. Williamson. 2013. Communicated values as informal controls: gaining accuracy while undermining productivity? *Under second round review at CAR. Presented at the 2013 CAR Conference.*

Holderness, D. K., K. J. Olsen, and T. A. Thornock. 2013. Designing feedback systems for an entitled generation: how psychological entitlement moderates the relation between performance feedback and individual effort. *Under review at The Accounting Review*

Thornock, T. A. 2013. How the Timing of Performance Feedback Impacts Incentive-Based Individual Performance. *Preparing for submission to Accounting, Organizations & Society*.

Cannon, J. N., and T. A. Thornock. 2013. How do managers react to what happens to peers? The influence of anticipated pay change announcements on budgetary reporting. *Preparing for submission to Contemporary Accounting Research*.

Bentley, J. W., J. N. Cannon, and T. A. Thornock. 2013. Shaking things up: the effect of compensation scheme change on employee effort. *Collecting additional data in Spring 2014*.

WORKS IN PROGRESS

“Level Up: The Effect of Contract Design on Strategy and Skill Development in Performance Tasks” with Jeremy Douthit (*in data collection phase*)

“How Psychological Entitlement Moderates the Effect of Incentives and Monitoring on Performance and Deviance” with Kari Olsen and Kip Holderness (*in data collection phase*)

“The Effect of Incomplete Peer Feedback on Effort Allocation between Individual and Team Output” with Tyler Thomas (*in data collection phase*)

“The Effect of Post-Investment Audit Type and Outcome on Continuing Decision Making” with Kristina Demek and Christine A. Denison (*in data collection phase*)

“The Effect of Formal Controls on Individual Reluctance to Share Creativity” (*in design phase*)

PRESS MENTIONS

How to Give Feedback That Works, *CBS MoneyWatch*, February 11, 2011, by Kimberly Weisul.

RELEVANT TEACHING EXPERIENCE

Iowa State University

Instructor (2011-2013)

Accounting for Decision Making – Graduate (rating based on 5-point scale):

Overall Instructor Rating 4.8

Overall Course Rating	4.9
Introduction to Managerial Accounting – Undergraduate (rating based on 5-point scale):	
Overall Instructor Rating	4.2
Overall Course Rating	4.4

PROFESSIONAL EXPERIENCE

Senior Audit Associate, PricewaterhouseCoopers LLP – Austin, Texas (2005 – 2006)
 Audit Associate, PricewaterhouseCoopers LLP – San José, California and Austin, Texas (2002 – 2005)
 Audit Intern, Grant Thornton LLP, San José, California (2001)

INVITED PRESENTATIONS

Contemporary Accounting Research Conference (2013)
 Brigham Young University Accounting Research Symposium (2013, 2012, 2011, 2008)
 AAA Annual Meeting (2013)
 Management Accounting Section Mid-Year Meeting (2013, 2011)
 Accounting Behavior and Organizations Section Mid-Year Meeting (2012)
 Research Workshop (2011) – University of Central Florida, Utah State University, University of Illinois
 Urbana-Champaign, Oklahoma State University, Iowa State University, University of Pittsburgh,
 University of Massachusetts Amherst
 Accounting Ph.D. Rookie Recruiting and Research Camp (2010)

PROFESSIONAL CERTIFICATIONS & AFFILIATIONS

Certified Public Accountant, California/Iowa
 Member, American Accounting Association
 Member, AAA Management Accounting Section
 Member, AAA Accounting, Behavior and Organizations Section
 Member, Institute of Management Accountants

HONORS & AWARDS

Iowa State University College of Business Research Bootstrap Grant Recipient (2013, 2011)
 Iowa State University College of Business Mini Scholarship Grant Recipient (2013, 2012, 2011)
 Iowa State University College of Business Junior Faculty Teach Award Nominee (2013)
 Institute of Management Accountants FAR Doctoral Student Grant Recipient (2010)
 University of Texas Continuing Bruton Fellowship (2010)
 University of Texas Bonham Fund Recipient (2009, 2008)
 University of Texas Office of Graduate Studies Professional Development Award (2010, 2008)
 University of Texas McCombs School of Business Doctoral Fellowship (2006 – 2011)

University of Texas Pre-Emptive Recruiting Fellowship (2006 – 2007)
Dean's List, Marriott School of Management (2002)
Brigham Young University Academic Scholarship Recipient (1998 – 2001)
Ricks College Honors Program (1995 – 1996)
Ricks College Academic Scholarship Recipient (1995 – 1996)
Eagle Scout

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