



The Accounting Podcast Series

S06E01: Katlijn Haesebrouck

Transcript

Contemporary thoughts on knowledge sharing and more

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Albie: Welcome to TAPS, The Accounting Podcast Series. I'm Albie Brooks, and working with me is Abbey Treloar. Today our guest is Katlijn Haesebrouck. Katlijn is an Associate Professor in Accounting at Maastricht University in the Netherlands, having completed her PhD at KU Leuven in Belgium. Having published her research in a number of top-tier journals, Katlijn's work is focused in particular around the idea of knowledge sharing in organisation as well as the issue of culture controls in audit firms. Katlijn coordinates and teaches managerial accounting and information management courses and supervises thesis students. We were fortunate to have Katlijn recently visit here at Melbourne as part of her sabbatical. Let's find out more. Welcome to TAPS, Katlijn.

Katlijn: Thanks a lot, Albie.

A: Let's go back a little bit, Katlijn. How did you come to embark on a career in academia?

K: Well, it's not like it was my childhood dream to become an academic. I started to get interested in research during my bachelor's when I first encountered research papers, but I wasn't sure it was something for me. So after my bachelor's I decided to do an internship at the university. It was just four weeks, but I wanted to get a real taste of academic life. During the internship they had me write a literature review. Admittedly, that's not the most exciting part of doing research, but what else can you really do in just a month, right? After that, they offered me a PhD spot. Initially, I said no. I turned it down. But about six months later I revisited the decision, and I reached out to see if the opportunity was still there. And here I am 12 years later.

A: Excellent, yes. I agree with you; we don't all set off with a childhood dream of finding ourselves in the industry. That's for sure. Your research covers areas such as knowledge sharing and incentive design, trust and culture controls. So how did you come to develop an interest in these particular areas?

K: I'm really drawn to the human element within an organisation, like decision-making processes, motivational factors, organisational behaviour. Why do people choose to work where they do? What drives their decisions and actions on the job? Is it mostly money or are there also other factors at play? So it's really that psychological aspect behind the choices that fascinate me. And I think they are also aspects that everyone can relate to, just like everyone can relate to knowledge sharing, the challenges and the necessity of it. Even from day 1 on any type of job, you know, figuring out literally everything – practical stuff from where to find the coffee to how the printer works to what you really need to know to do your job well and who to ask what and that sort of thing. So these everyday interactions and the challenges that come with it drew me into focusing on this research area.

A: It's just such an interesting field. I think that concentration on the human element is so important for us in this broader area of accounting. I'd like to focus on one of your key co-authored publications in *Accounting, Organisations and Society* titled, "[Building trust through knowledge sharing: Implications for incentive](#)

[system design](#)", co-authored with Alexandra and Michael. How did this work come about and what were the key motivations for it?

K: I was already working on knowledge sharing as a broad research theme when I started this project. In the earlier work I was looking at motivational mechanisms, how to motivate people to share knowledge. Now, there is actually already a lot of existing research on cooperative behaviour more generally, both inside and outside organisations. And you could argue that knowledge sharing is just another form of cooperative behaviour, right? So I faced some scepticism with this early project. "We already know enough about this. Do we really need new research on this? Can't we just apply what we already know on cooperative behaviour to knowledge sharing?" But me and my co-authors, we believed that knowledge sharing really had unique aspects that made it different from other types of cooperative behaviour. This project really actually aimed to prove that. We wanted to prove that knowledge sharing is different and that would then also justify more research into how to motivate this specific type of cooperative behaviour.

A: And how did you conduct the study? What did you actually do?

K: We conducted two types of experiments. One was the classic laboratory experiment. These types of experiments are usually quite abstract, and ours wasn't any different to that. We created a puzzle-solving task with participants in the role of helpers and helpees. The idea was the helper had the opportunity to help the helpee, and that would be financially costly for the helper, but it would benefit the helpee. We tried to mimic the real-world situation where if you help someone you incur a cost somehow – time, effort, whatever – but it benefits someone else. And then in this task we manipulated whether or not help involved sharing knowledge on the puzzle solutions and whether the helpee could reward the helper in return. We also ran a range of scenario-based experiments, and these are more context-rich. In them we asked participants to imagine that they were seasoned employees deciding whether or not to help a new employee on the job with a task that did or did not involve knowledge sharing, and then we see how that changed their helping behaviour.

A: And what key results emerged out of those two experiments?

K: We found that experienced employees can be really hesitant to share knowledge, but that it also has the potential to build trust when it is shared. So how does it really work? People believe that if they acquire knowledge through their experience, through their time, through their efforts, that it becomes an important part of their identity. Because of this, they also believe that sharing knowledge is costly to them because it's like giving up a part of yourself, right? And they're unlikely to do that when they're only motivated by altruism. Now, as I mentioned, it has the potential to build trust. How does that work? If you share your knowledge, you actually share a part of your identity with someone else, so you also believe, then, in that way that you will form a strong bond sort of a connection with the person you shared your knowledge with. And that also makes you believe that if there is an opportunity in the future for the other person to reciprocate, to reward you for your help, they will do that because you have such a strong connection through the shared knowledge. And that prospect, if there is an opportunity to be rewarded, then that makes employees more inclined to help by sharing knowledge.

A: So the practical implications of this – in other words, what advice would you have – and you just touched on this – for organisations who want to enhance knowledge sharing within the organisation, as a result of this work what advice would you offer?

K: I would advise organisations to really leverage this trust effect via the design of their incentive system. Rewarding knowledge sharing or incentivizing it, it's not so straightforward, because in theory you could, say, write an incentive contract that directly pays for shared knowledge, but in practice that is super difficult. How should you write a contract that tells, okay, this is the type of knowledge you share and if you share it that's the type of bonus that you get? The problem is that employees have a lot of knowledge accumulated through their experience, but as a manager you don't really know what your employees know. Also, you don't really know what exactly it is that needs to be shared in order for other employees to be helpful, right? So creating a contract that formalises all that is impossible. The good news is, though, that through our research we show it's not really necessary to do it in that way. You can keep it a bit more open and you can

use more so-called subjective future incentives, ex-post incentives. So rather than beforehand stating a contract, "This is what you need to share and then you get a pay raise," or whatever, you use these so-called subjective rewards, and there the idea is more like you might get a bonus at the end of the year, but it depends on how you perform. So there's really no guarantee that you will get a bonus; you just have to trust that at some point you will be rewarded in the future. But that relates to what I told earlier, right? With knowledge sharing this trust aspect works really well. If people share knowledge, they have this trust that they will be rewarded in return. What we also saw in our experiments is that it's really crucial that peers are involved in these subjective rewards, so they need to be able to say, "Okay, this employee helped me well so he or she deserves a reward." Instead, it's a manager overseeing knowledge sharing. You're not knowledge sharing with a manager, so you don't have this trust idea there. It's really important that the one you share the knowledge with is involved in the reward, let's say. In sum, I would advise an organisation to use subjective rewards where also the peer evaluations are taken into account.

- A: Excellent. There's certainly a difficulty associated with trying to use objective measures for the conduct of knowledge sharing, so the idea of the introduction or increased use of subjective-based evaluations is really quite interesting, and we see this emerging in a couple of other areas of our management accounting and control landscape as well, which is really quite interesting. This is great work. What do you think, is there work that we still need to do in this knowledge sharing space that might improve outcomes for organisations? I'm aware you've got some forthcoming publication relating to telecommuting, for example, which moves a little bit into this space as well. What do you think we still need to know and investigate about this thing we call knowledge sharing?
- K: Yeah, so I think there are two important areas that need further investigation. The first is the role of modern technology, and second, as you said, the role of remote work or telecommuting. When it comes to modern technology we have AI, social media platforms within companies, and they all offer new avenues for knowledge dissemination, for the way in which we share knowledge, but they also present challenges, I think. I just explained this whole story about trust and how important that is in knowledge sharing; how would that work when you share knowledge with an AI system, for example? I think there's a lot more to do there. And then second is working remotely, understanding how home office settings influence formal and informal knowledge sharing and how that actually helps to maintain productivity but also learning, innovation, creativity, where knowledge sharing is really important. I think that can be a really interesting area to explore further.
- A: Well, there's still more to be done, then, in the area, which is neat. I also understand you've got a current paper that investigates issues around escalation of commitment and the rather interesting concept of narcissism. Tell us a little about that work.
- K: It's an early-stage project with a former masters student of mine, Saskia Spang. We were exploring how narcissistic personalities can influence decision-making, and particularly the tendency to escalate commitment to failing projects. Our preliminary findings suggest that, indeed, narcissism significantly increases this propensity to escalate commitment. That's quite concerning, because, first of all, there's research that shows that narcissism in general in society is on the rise, but also that narcissistic personalities really are present among top executives and managers, more than in the general population. And it's especially these people that are often involved in this very high-stakes decision making where escalation of commitment can be particularly harmful. So we are now investigating strategies that organisations could use to mitigate this risk.
- A: Fascinating topic, I think, around, well, both of those issues, the escalation of commitment which we don't seem to be, at this point at least, able to stop, and to look at connecting that to the issue of narcissism is really quite interesting. You've had a lot on your plate. So what is it you're currently working on?
- K: Well, you introduced it in the beginning a bit, that I work on culture in audit firms. That's also an ongoing project of mine where I'm really excited about. It's with three co-authors, Jasmijn Bol, Isabella Grabner and Mark Peecher. We study how the culture in audit firms can influence audit quality. We first did over 30 interviews with partners, managers, juniors of several audit firms, and then we set up a large survey and an

experiment. It's not always easy to get access to auditors for such things; they're very busy people, right? But we got help from the Foundation for Auditing Research, which is a Dutch organisation that tries to build a bridge between research and audit practice. So we got a lot of cool data, and what it looks like is that in order to build the culture for audit quality there are four things that really matter. First, firm leadership needs to say the right things. They clearly need to express the values of the firm, the fact that the firm stands for audit quality, in this case. Second, they need to show this behaviour themselves, so they need to walk to talk, basically. Third, they also need to support employees in the firm to embody these values, like make the necessary budgets available and that sort of thing. And then finally, they need to select the right people in the firm, so people that have a drive for getting to the bottom of things, for example. And it's really a combination of all those four things that matter. If you only say what you stand for but you do not follow it up with actions yourself or with providing the means, then it can really backfire. Some of these aspects matter more in early stages than in late stages; for example, selecting the right people really matters for juniors, obviously. So it's a combination and at different points in time that you should work on your culture.

A: Excellent. So just moving away from the research thing for a moment, and as part of your teaching, what advice do you have for current undergraduate accounting students or majors in terms of maximising outcomes from their undergraduate studies and preparing for this contemporary workforce?

K: My advice would be to actively seek opportunities beyond the classroom. If you're interested in a specific firm or a specific career path, I would say don't hesitate to reach out to people working there directly so you can explore internship opportunities or shadowing opportunities, or even just informally talk to people. I think that can really open doors and provide clarity for yourself on your career direction. I do believe that it's important to be proactive there and maybe even a bit bold, because I always think, what's the worst thing that can happen, right? You can receive a no. There is no opportunity for an internship, or whatever. But then the potential gains from taking the initiative can be substantial for your career, I think. So that would be my advice.

A: This is an off-the-cuff question. Do you think it's an exciting time to be an accounting graduate?

K: Yeah, absolutely. I think there's a lot happening, and I think there is also this misconception that as an accountant maybe we won't be necessary anymore because AI will take over our role, but I absolutely don't believe that's true. I think our role is changing. It's really more about interpreting and managing and that sort of thing and not just calculating or whatever. But I do think it's a really exciting time, and I also think there is a shortage at the moment of good accountants, right? I think for the first time a while back a lack of good accountants was mentioned as a risk in financial statements of a firm. So they explicitly mentioned we might have trouble hiring good accountants and that would be a risk if we don't manage to do that.

A: Excellent advice. Look, thanks so much, Katlijn, for joining us here at TAPS. I know that you're currently on a nice extended sabbatical program, so we hope that that works out to be really productive for you. Quite a bit of this time is being spent in Australia, so we hope that you're enjoying that. It's been a lot of fun to have you as part of our TAPS podcast program, and we wish you well in your current and future endeavours. Thank you.

K: Thank you so much, Albie. It's been great so far visiting Australia.