

CUHK BUSINESS

2023
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What do companies and businesses leaders need to be aware of as they seek to reconnect with customers and suppliers?

Reinvent Your Business for the New Economic Paradigm



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CAN PICK THE
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THIS ISSUE: REINVENT YOUR BUSINESS FOR THE NEW ECONOMIC PARADIGM

After a tumultuous period, business is returning to normal around the world. But how has the landscape evolved and what do companies and businesses leaders need to be aware of as they seek to reconnect with customers and suppliers? Read cutting edge research into today's trends in business strategy to find out more.



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Palpating by Numbers – Enhancing the Health of Corporations and Accounting

Many people’s impression of accounting work is that it is inherently repetitive and, more importantly, “all about the numbers”. Yet Loretta Fong (PACC 1993) has a different take on the entire matter: “Numbers are merely health indexes. What accountants truly need to do is to feel the pulse of a business by analysing its performance, diagnosing problems and prescribing treatment. It gives me great satisfaction to see businesses thrive operationally and financially as a result.”



Loretta joined Arthur Andersen (merged with PwC in 2002) after receiving her master’s degree, and has stayed with the firm ever since. Besides developing her career, Loretta has dedicated herself to the advancement of the profession. Last year, she was elected President of the Hong Kong Institute of Certified Public Accountants (HKICPA). She plans to utilise her years of experience in “diagnostics” to promote the healthy development of corporations and the accounting profession.

Corporate Doctors

Loretta was made partner after only 11 years on the job. Possibly, it was her reluctance to be complacent that set her apart. “Accountants deal with all sorts of ‘ailments’ every day. We can’t simply work the books behind closed doors. Instead, we should be curious about how clients operate to produce accurate and constructive solutions.” Thus, Loretta enjoys “walking the factory floors” and interacting with the operational staff. This allows her to observe, listen, ask questions and refine her diagnostic abilities. She opines that accountants should have strong language and communication abilities in addition to numerical skills; otherwise, they will not be able to clearly present complex ideas to clients. She learnt this lesson the hard way. When she first joined Andersen Canada, she was regarded as “too frank and untactful” due to cultural differences. She has since gathered mastery of the art of tactful communication. Now, many of her clients approach her for operational advice. “I often tell my team that it is wisdom, not merely intelligence, which drives success. Wisdom is the combination of experience and intelligence. We need to take the initiative to broaden our knowledge and speak frequently with our team.”

Committed to Establishing a Healthy Atmosphere

Loretta’s interest in the accounting profession was a result of both her father’s wish and her own interest in the field. She recalled running into her supervisor in Canada while attending her first partners’ conference. He told her that he was glad he made the decision of recruiting her, as he had helped the firm find a successor. This motivated Loretta to contribute more to the industry. Upon taking over the role as President of the HKICPA last year, she formed big plans for the healthy development of the industry: “Keeping up with the times is an indicator of the industry’s healthy growth. Against the backdrop of constantly evolving markets, our industry must adapt and prepare for the future by developing new systems and services. Take, for example, the emergence of ESG in recent years. It has prompted the International Sustainability Standards Board (ISSB) to develop sustainability-related disclosure standards.

This shows that accountants can’t stick with the rules and refuse to evolve.” She noted that the HKICPA will focus on supporting its members’ professional growth once the work to transfer regulatory oversight to the Financial Reporting Council is complete.



▲ Loretta was elected President of the HKICPA in 2021. She hopes to promote the healthy development of the accounting profession.

With AI and other tech applications fast maturing, many people are concerned that traditional professions such as accounting will be supplanted. But Loretta is far from being worried: “Accounting is more than just working with numbers. A large part of the job involves communicating with others, which can’t be easily replaced by technology. What technology can do is make our work easier by helping solve existing problems, such as further digitalising the auditing workflow and automating monotonous tasks. Doing so will enhance accountants’ productivity and efficiency, enabling them to have a healthier work life and make more meaningful contributions.”

She encourages Hong Kong’s accountants to keep a close watch on new opportunities in the region: “The Mainland’s accounting system is largely aligned with international standards. There are 47,000 certified accountants in Hong Kong for a population of 7.6 million, but fewer than 300,000 on the Mainland for a population of over 1.4 billion. Obviously, this signifies a tremendous demand for accountants on the Mainland.” She revealed that the HKICPA is in talks with Mainland authorities to exempt Hong Kong accountants from additional examinations and work experience requirements, so that more members can tap opportunities in the Greater Bay Area.



▲ Loretta was very studious during her undergraduate studies, receiving myriad accolades. She is determined to make a positive impact on the accounting profession.



Loretta Fong
(PACC 1993)

Loretta Fong is PwC's Government & Public Sector Leader in Hong Kong and Macau, as well as the ESG Services Leader in Hong Kong and the Greater Bay Area. She has extensive experience in providing accounting, audit and transaction advisory and consulting services to private and public entities as well as various government bodies and non-profit organisations. Loretta currently holds office of the President of the Hong Kong Institute of Certified Public Accountants (HKICPA).

Lifelong Learning for Lifelong Wisdom

Since graduating from CUHK Business School, Loretta has maintained contact with her classmates and professors. Inspired by the liberal teaching and learning during her undergraduate studies, she encourages other alumni and students alike to stay curious and embrace a lifelong learning mindset. "In today's world, if you're not progressing, you're regressing; and you will lose out sooner or later."

Loretta's love of learning has led her to not only obtain various accountancy qualifications, but also to become a Chartered Financial Analyst. Outside of work, Loretta makes time to pursue work-life balance. She has obtained a yoga instructor certification. "Everyone defines success differently. For me, success means continuing to advance in what I'm passionate about."



▲ Loretta has maintained contact with the School after graduation. During the PACC 35th Anniversary Dinner, she shared her insights on the future of the accounting profession.



From Emerging to Developed Markets: How Entrepreneurs Can Pick the Right Strategy

A recent study of Chinese entrepreneurs identifies the strategies that are required for success at different stages of a country's transition to a market economy

Andrew Grove, the CEO who built Intel into the world's largest semi-conductor chip manufacturer by revenue, summed up his strategy for success succinctly, "There are two options: adapt or die." A more nuanced version of such traditional business wisdom is provided by a study of the relationship between entrepreneurial strategy and institutional change in China that identifies appropriate strategies for success at different stages of a country's transition from a planned economy to a market one.

The ground-breaking study examines the interactions between entrepreneurial strategy and institutional change in China over the decade from 1997 to 2007, and finds that relationship-based strategies – focused on building links with government – promote company growth in the early stage, while innovation-based approaches are more successful in the late stage. It also sheds new light on the neglected intermediate stage of the economic transition, which is characterised by turbulence and uncertainty, and finds that university research and science parks can play a critical role in "cocooning" fledgling companies during this phase.

“ At different stages of the marketisation process, entrepreneurs should adopt different strategies that fit the changing institutional environment. ”

— Prof. Willow Wu

"We propose that entrepreneurs may temporarily leverage 'cocoon institutions' to buffer uncertainty in the broader institutional environment during this transitional stage," says Willow Wu, Assistant Professor in the Department of Management at The Chinese University of Hong Kong (CUHK) Business School, and one of the authors of a new paper titled Entrepreneurial Strategies During Institutional Changes: Evidence from China's Economic Transition.

Hallmarks of Marketisation

To test their theories, the research team, which also included Prof. Charles Eesley from Stanford University and Prof. Delin Yang from Tsinghua University, conducted a survey of thousands of alumni from Tsinghua University who graduated between 1947 and 2007. The alumni were asked if they had taken part in founding a new company or privatising a state-owned enterprise. A total of 254 qualifying companies were identified through the survey, which had an 11 percent response rate, with 2,966 replies. Survey information on the size of the companies was combined with data from China's National Economic Research Institute (NERI) marketisation index to conduct a statistical analysis of the interaction between three entrepreneurial strategies and three institutional settings.

"Marketisation is characterised by the establishment of capital market structures, greater protection for intellectual property rights and other legal support for business, and less government intervention in the economy," says Prof. Wu. "At different stages of the marketisation process, entrepreneurs should adopt different strategies that fit the changing institutional environment, because different environments require different core competencies to outperform competitors."

Navigating Institutional Transition

The researchers argue that in the early stage of transition from a planned economy, the core competency for entrepreneurs is to build connections with government officials, which results in preferential treatments, such as prioritised resource allocation and early access to information. In this context, companies with relationship-based strategies tend to perform better. In the late stage, when more market-based institutional arrangements prevail, the core competency required of entrepreneurs is to innovate, so that they can differentiate their company from competitors. Such innovation confers competitive advantage and facilitates private investment.

"However, during the transition between these two stages, the rules become murkier and it is unclear whether companies should follow the old rules of the planned economy or the new ones of the market economy," says Prof. Wu. "In this stage, the core competency becomes ambidexterity, which confers the ability to simultaneously experiment with new rules and follow old rules." While firms would ideally build dual competencies in both government relationships and innovation, in practice it is not possible. It is because their requirements are completely different in areas such as organisational structure, choice of products and technologies, and employee hiring and training.

The researchers propose that firms adopt a "cocoon-based" strategy during this intermediate stage to enable experimentation with the new rules – conducting innovation – while also obeying the old rules – building relationships with government. They define "cocoon institutions" as local institutions that anticipate the broader institutional change process by adding new arrangements of their own.

Quantitative Analysis

Drawing on this three-stage marketisation model, the study tested three distinct hypotheses. They theorised that in institutional environments characterised by a low level of marketisation, the ability of entrepreneurs to scale up their businesses would be related to the level of government ties they are able to forge. On the other hand, in institutional environments characterised by a high level of marketisation, this ability to scale up becomes tied to the businesses' ability to innovate.

Finally, in institutional environments between these two stages of development, the researchers theorised that firm size would be related to their location in research or science parks. Typically, the science parks are established to bridge the gap between

private-sector technology and public-sector resources and to help "cocoon" or shield entrepreneurial firms from institutional uncertainty that can result from market transitions.

The study measured company size by looking at the number of employees in the latest fiscal year of operation. Revenue was also used as a reference to ensure the results are robust. Companies were matched against the NERI index, which rates annual marketisation progress in all Chinese provinces, municipalities and autonomous regions between 1997 and 2007. The sample of 254 companies was split into three levels of marketisation – low, medium and high.

Three indicators stood in for the distinct entrepreneurial strategies. For relationship-based strategies, the researchers looked at the level of government ties; for cocoon-based strategies, they looked at whether the company was located in a science park; and for innovation-based strategies, the number of patents held by a company when it was founded.

A Tapestry of Interactions

To illustrate the impact of the institutional environment on the effectiveness of entrepreneurial strategies, they graphed the variation in company size among the three strategy groups. They went on to split the sample using the three indicators to test the effects of the diverse strategies on company size in the different institutional environments. Statistical analysis showed that the results supported all three hypotheses. In early-stage marketisation, one unit of increase in the level of government ties is associated with company size increasing by a factor of 1.283; in medium-stage marketisation, locating in a science park is associated with company size increasing by a factor of 6.938; and in late-stage marketisation, one additional patent is associated with company size increasing by a factor of 1.097. Further analysis that was conducted to examine the moderating effect of the changing institutional environment also supported all three hypotheses.

The researchers note that the study is among the first to empirically test the theory that, as the transition to a market economy progresses, the effect of government relations will decrease, while the effect of market-based capabilities will increase. Its novel concept that cocoon institutions such as science parks can provide protection from the uncertainty and turbulence of a country's intermediate stage of market development also helps resolve conflicting findings among previous studies on the effectiveness of science parks in promoting company growth. The study shows that the effect of science parks is contingent on the wider institutional environment.

Finally, the study raises the intriguing question of why entrepreneurs do not always take the strategy that is best adapted to the institutional environment and call for further empirical research in this area to build entrepreneurial capability. "It is actually difficult for entrepreneurs to make sense of the changing landscape," says Prof. Wu, "and it is even more challenging to adopt an appropriate strategy that can leverage the opportunities created by institutional changes."



WATCH PROF. WILLOW WU'S RESEARCH



Prof. Willow Wu

Prof. Willow Wu is an Assistant Professor at the Department of Management in CUHK Business School. Prof. Wu achieved her PhD degree in Management Science and Engineering at Stanford University, and achieved dual bachelor's degree in Environmental Sciences and Economics at Peking University. Prof. Wu's research interests lie in technology entrepreneurship and entrepreneurial strategy in nascent markets. Theoretically, her work focuses on how entrepreneurs resolve institutional contradictions in the setting of marketisation, digitisation, and tokenisation. Empirically, she uses econometric models and natural language processing methods to quantitatively analyse entrepreneurial strategy and performance. Her research has been published in the Quarterly Journal of Management, Regional Studies and the Strategic Entrepreneurship Journal.



How Investors Rewarded Diversification during the Pandemic

Study finds that companies with more geographically diverse operations outperformed during the peak of the outbreak

The COVID-19 pandemic has created havoc around the world. Not only did it exact a heavy toll in the loss of human life, but it also constituted one of the biggest shocks to the global economic order in modern history. Consider that in March 2020, as the world became increasingly aware of the spread of the pandemic, global stock markets fell by over 30 percent as investors panicked en masse. Its economic effects were felt everywhere, with neither emerging markets or developed economies spared.

Given the massive economic impact of the pandemic, much effort has been focused on whether and how some companies were better able to weather the uncertainty it brought about, while others fell by the wayside. It is with this in mind that a group of researchers, including at The Chinese University of Hong Kong (CUHK) Business School, chose to look at the role of geographical diversification in allowing companies to outperform during the outbreak.

The study Geographic Scope and Real Estate Firm Performance during the COVID-19 Pandemic was conducted by Desmond Tsang, Associate Professor at the School of Hotel and Tourism Management and Co-Director of the Centre of Hospitality and Real Estate Research, at CUHK Business School, in collaboration with Dr. Xiaoling Chu at The University of Hong Kong and Prof. Chiuling Lu at National Taiwan University. It found that companies which spread their operations across a wider geographical region tended to be viewed by investors as being better able to withstand the volatility during the pandemic, and this was reflected in their performances in the stock market.

“Our aim in this study is to look at how geographic scope and diversification allow firms to weather the economic volatility brought about by the spread of COVID-19 during the pandemic,” says Prof. Tsang. “Unlike other episodes in recent history such as the Global Financial Crisis of 2008, the pandemic affects different places in a different manner, depending on the severity of positive cases in a given region as well as the local government response. This served as an ideal backdrop for us to test out our theories.”

Focusing on the Chinese Real Estate Sector

To do this, the researchers looked specifically at the stock market performance of real estate firms in China

from the beginning of February 2020 to the end of March that same year, a period which coincided with the implementation and subsequent lifting of a lockdown in the Chinese city of Wuhan in Hubei province, where initial reports of virus transmission appeared.

“ Corporate diversification could be especially useful in mitigating negative stock market reactions that firms experience during times of crises, such as during the pandemic. ”

— Prof. Desmond Tsang

They chose China to study the impact of diversification on stock market returns because the country provided a “clean” timeline for study. To control the spread of COVID-19, the government undertook stringent measures, including lockdowns not only in Wuhan but also in other cities throughout the country.



Moreover, by focusing on the real estate sector – where firms tend to invest in property assets in specific locations – the researchers were able to clearly identify a company’s geographical scope. Chinese real estate firms were also easier to compare, since most firms tend to dabble in developing residential and commercial projects, unlike in some markets such as the US, where real estate firms focus on various forms of property operations. Finally, real estate developers had a shorter investment horizon than passive investment vehicles such as REIT, or Real Estate Investment Trusts, and thus they might be more likely to be affected by the short-term volatility brought about by the pandemic.

To go about their study, Prof. Tsang and his co-authors first examined the returns of A-share companies listed on the Shanghai and Shenzhen stock exchanges with the growth rate of the number of confirmed COVID-19 cases as a measure of exposure to the pandemic. This confirmed the onset of the COVID-19 pandemic caused equity prices for real estate firms in China to fall significantly. As expected, it found that firms that were bigger in size, which employed lower leverage and had higher cash holdings were affected less.

Next, the researchers looked into their main research question on whether firms' geographical scope affected their stock prices during the period. They found that those with broader geographical scope and more geographically diversified property allocations were better able to endure the crisis. "In other words, the results indicate that investors seemed to perceive that firms with a more geographically diversified portfolio as being better able to weather the COVID-19 pandemic," says Prof. Tsang.

The Effects of Leverage and Firm Size

Pressing on, the researchers then turned their attention to whether this ability of geographical diversification to shield companies from negative stock market consequences of the pandemic was able to help firms with weak fundamentals. It found that firms with higher leverage reported lower returns during the pandemic no matter their levels of diversification. This was an indication that geographical diversification did little to soften the valuations hit on real estate companies during the pandemic if they had high leverage, which in turn signalled a higher risk of bankruptcy especially at times of crises.

Interestingly, when examining firms with strong fundamentals, they found that larger firms were only able to lessen the adverse impact of the pandemic if they adopted a geographically diversified strategy. Conversely, larger firms may be actually be more seriously exposed to the pandemic if they were geographically focused. Prof. Tsang added that while smaller firms, by definition, may find it difficult to expand their portfolio geographically, investors only viewed larger firms in a favourable light if these companies recognised the importance of geographical diversification.

To conclude, Prof. Tsang says with the pandemic creating an unprecedented crisis for the world and for global stock markets, it has become increasingly important that firms and policymakers better understand the factors that can allow markets and individual businesses alike to become more resilient to such shocks. "Overall, our results do much to validate what many would consider common sense but not all firms have actually been doing. Corporate diversification, in this case geographical diversification, could be especially useful in mitigating negative stock market reactions that firms experience during times of crises, such as during the pandemic, though its effect is not almighty when it comes to firms with weak fundamentals," he says.

"However, for larger organisations, which typically have access to better resources and are considered to be usually better at absorbing losses when the going gets tough, we see that diversification could actually become more essential, as these firms are expected by the market to be more diversified and to have put fewer eggs in one basket."



Prof. Desmond Tsang

Prof. Desmond Tsang is an Associate Professor of Real Estate at the School of Hotel and Tourism Management at CUHK Business School. He also serves as a Co-Director of the Centre for Hospitality and Real Estate Research. He obtained his PhD from University of California at Berkeley, majoring in real estate and accounting. His research in real estate specialises in Real Estate Investment Trusts, International Real Estate and Firm Location. His research interests in accounting include CEO and Corporate Governance, Earnings Management, Financial Fraud, and Auditing. Prof. Tsang has published in top journals, such as Review of Accounting Studies, Real Estate Economics, Journal of Real Estate Research and Journal of Real Estate Finance and Economics.



WATCH PROF. DESMOND TSANG'S VIDEO



Sino Group partnered with the internationally acclaimed British designer Paul Cocksedge to present Time Loop at the entrance of Yue Man Square as a gift to the Kwun Tong community.

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When Corporate Philanthropy Keeps Staff Happy

Research shows that firms which align their philanthropy efforts with the values of workers may benefit from lower turnover

The devastating health, economic and social impacts of the deadly COVID-19 pandemic, which has led to more than 6.5 million fatalities around the world, has created a “new normal” and inspired many people to re-evaluate their lives. Widespread selfless acts of kindness and philanthropic donations have struck a chord with millions of people, who want to embrace a kinder, more altruistic work-life balance. A study found that corporate donations in 2020 accounted for 44 percent – or US\$9.4 billion – of the total US\$20.2 billion global philanthropic response to the coronavirus disease from businesses, charities, foundations and wealthy individuals.

“ We found robust evidence showing that changes in philanthropic giving can make an economically sizable difference to employee turnover. ”

— Prof. Anthony Rice



In September 2022, Yvon Chouinard, the American billionaire founder of the high-end outdoor fashion brand Patagonia, gave away his company to a charitable trust. “Earth is now our only shareholder,” said the rock climbing fanatic Chouinard, 83, who is worth an estimated US\$1.2 billion, at the time. Any profits not reinvested in running his business, known for its sustainable practices, will go to fighting climate change.

So it’s appropriate that timely new research by academics, including Anthony Rice, Assistant Professor at The Chinese University of Hong Kong (CUHK) Business School’s Department of Finance, has revealed that companies which increase corporate philanthropy commitments are more likely to retain their highly-skilled staff.

Competitiveness Crucial In ‘War For Talent’

“It is crucial that businesses stay competitive in the ‘war for talent’ by being able to attract, motivate and retain outstanding staff,” says Prof. Rice, who carried out the research with Prof. Christoph Schiller, at Arizona State University. “They increasingly recognise the importance

of social values – the positive benefits that businesses create for the economy, communities and society – for attracting and managing talent.”

He says human capital – the economic value of a person’s skills and experience – has become an increasingly important driver of business performance. The direct costs of replacing an employee are substantial – some estimates suggest up to 175 percent of a worker’s annual pay – but the indirect costs can be many times higher, particularly for staff such as inventors with critical human capital and organisational abilities, he says.

“Our research is important because it highlights the need for businesses to ensure that there is a match of its social values with their employees – something known as value congruence – to help them boost the commitment of their expert staff,” he says.

Shared Social Values Can Motivate Staff

Despite growing interest in this field among companies and managers, previous studies have been focused only on the broad definitions and staff benefits of corporate social responsibility (CSR) – the concept that corporate activities should, at the very least, avoid disruption to the wider society and preferably generate positive impact. There has been little research done to find how social values can help to motivate and retain highly-skilled staff, he says.

However, the new research – carried out in two studies and published in a paper titled When Values Align: Corporate Philanthropy and Employee Turnover – has addressed this by examining the role of value congruence on highly-skilled staff – in particular inventors, Prof. Rice says. They chose to focus on corporate philanthropy, which provides no direct benefits to a company’s employees. “In both studies, we found robust evidence showing that changes in philanthropic giving can make an economically sizable difference to employee turnover,” Prof. Rice says.

The first study analysed data from different US corporate, charitable and business databases which highlighted the career paths of over half a million highly innovative inventors – including their patents – working at 2,200 companies with average assets of US\$17 billion from 1992 to 2015.

Prof. Rice says they chose to focus on inventors because these employees are important drivers of company performance, economic growth and productivity, and all have critical human capital, making them highly coveted and costly to hire and replace.



Prof. Anthony Rice

Prof. Anthony Rice joined CUHK Business School as an Assistant Professor of the Department of Finance. Prof. Rice obtained his PhD in Finance at the W.P. Carey School of Business at Arizona State University in 2021. His research interests are in corporate finance with a focus on political economy, behavioural finance and sustainable finance. Prof. Rice is always gathering new data sources that can help answer questions that once were difficult to address.

Only about a quarter of the companies included in the research were found to have made philanthropic contributions, but a number of these donated between US\$50 million and US\$150 million during some years. Most of the philanthropic companies worked in industries such as car manufacturing, utilities and food retail.

Deadly Disasters Spark Philanthropy Demand

This study also saw the two academics examine data for changes in business practices following three deadly natural disasters, which sparked a surge in demand for disaster relief and corporate philanthropy: the 2004 Indian Ocean earthquake and tsunami, which killed at least 225,000 people; the 2008 earthquake in Sichuan province, China, which led to nearly 90,000 fatalities; and the 2010 Haiti earthquake, which caused about 220,000 deaths.

They found marked differences in the pre-disaster and post-disaster behaviour of businesses, including the turnovers of inventors at companies with and without philanthropic foundations. "We found that natural disasters are clearly associated with a large increase in philanthropic giving and a 21 percent reduction in employee turnover," Prof. Rice says.

Moreover, the researchers found that the effect of charitable donations and inventor turnover mainly concentrated in firms with poor employee relations. Using data from staff reviews at the online platform Glassdoor.com, they also found that post-disaster philanthropic contribution actually increased overall employee satisfaction with a company, as well as the approval of its CEO. These findings lend support to the study's central hypothesis that the alignment of social values between a company and its employees makes corporate philanthropy a significantly more effective tool in reducing workforce turnover.

The second study carried out during the research sought to look at the effect of the reduction in the dividend tax rate as a result of the introduction of a 2003 law lowering individual income tax rates on corporate dividends. The legislation aimed to stimulate the US economy after the 2001 recession – a downturn lasting from March to November – and the September 11 attacks by encouraging public companies to pay dividends instead of holding onto their cash.

Prof. Rice says they found that those CEOs who owned a high number of shares in companies drastically reduced their firms' corporate philanthropic donations because of the opportunity cost of not issuing dividends. This led to a significant rise in staff turnover. He says the research also revealed that the effects of corporate philanthropy are focused in businesses where the employees feel less engaged by management and may already be considering leaving. Therefore, it is important for companies to take the time to engage with staff to find out their social values, so that they will feel appreciated.

If employees care mostly about their pay and non-monetary benefits, then a company's philanthropic contributions may lead to a higher staff turnover, Prof. Rice says. But if the aims of the business are closely aligned with the values of its employees – so that they feel a greater sense of purpose and company pride – it can help attract and motivate staff, he says.



Speculative Reselling: How Far Should It Go?

Although companies often restrict speculation, they don't go all the way to eliminate it. A recent research examines why this is the case

Scarcity is a common strategy consumer-facing companies use when they wish to increase demand for their products or services. It drives sales – sometimes creating “buying frenzies” – by betting on the consumer psychology of the fear of missing out: “Better buy it now, or else you may not find it tomorrow.” In certain markets where supply is limited, or where consumers perceive a sense of scarcity, speculators step in, purchasing goods or services in bulk and reselling them to consumers who hesitated during the initial launch.

Speculative reselling is commonplace in a range of markets from high-end technology products (e.g. Apple iPhone and Nintendo Switch), to tickets for popular concerts, sports events, railway (in some countries), or even TOEFL tests (in China) and visa appointments. Companies launching these products and services often have some measures in place to restrict speculative activities so as to protect consumers from being exploited by speculators. For example, Apple once required shoppers to present their photo IDs when purchasing iPhones.



“ Companies actually benefit from speculators, even though they may appear to compete directly with each other. ”

— Prof. Chenxi Liao

To the contrary of these measures, the same firms may also allow speculation to take place to some extent. For example, in the case of Apple’s iPhone X launch, the company allowed the ordering of more than one phone per Apple ID. This created a gray area in the market where speculators could step in and resell the product without being penalised in any way.

Why would a company turn a blind eye to this “black market” activity even though there is a risk it may reduce the availability of their product in the launch phase and later, inflate the price so much that some consumers give up on their purchasing bids altogether? Do companies benefit from speculative reselling? If a company can benefit from speculative activities, why would they restrict it at all?

These are perplexing questions that researchers attempted to answer in their research paper titled Restricting Speculative Reselling: When ‘How Much’ Is the Question. The paper was written by Chenxi Liao, Assistant Professor at the Department of Marketing at The Chinese University of Hong Kong (CUHK) Business School in collaboration with Prof. Dmitri Kubsov at the University of Texas at Dallas.

Besides finding answers to the above questions, the researchers also sought to find out the level of speculative reselling a company is willing to allow, and the level of total capacity it will arrive at, in order to achieve optimal profits.

A Symbiotic Relationship

To do this, the researchers built a theoretical model simulating a market where a company with a monopoly on a product launches a new item. In this market, the company does not drastically change the capacity of production over time. Instead, it uses a limited capacity as a tool to create the perception of “scarcity” in consumers’ mind. This facilitates the phenomenon of “buying frenzies”.

There are two distinct periods in which the new item is sold: the initial sales period and the phase immediately after this. In the initial sales period, consumers don’t have a clear idea of how they will like the product because no one has used it yet, or/and some uncertainties (e.g. weather on the day of the concert) can only be resolved in the second phase. Consumers naturally want to hold out on their purchase and wait till the product has been out in the market for a while or until the second phase.

But some consumers may rush to make the purchase during the initial sales period because they fear that the product may be sold out quickly. When speculators are in the picture, the purchasing dynamics change accordingly. “The mere existence of speculators may push consumers to buy the product immediately,” says Prof. Liao. “This is because speculative activities may artificially jack up the price of the product. So, instead of waiting too long and ending up paying a higher price to the speculators to secure the product, some consumers will prefer to make their purchase immediately.”

How would that dynamics impact the company? Prof. Liao explains with a hypothetical example, “If consumers unanimously wanted to wait until the end to buy the product, perhaps only five would end up buying it. But if they felt the pressure to get it now, perhaps 10 would end up buying it. When the pressure to purchase immediately is present, the company benefits from selling more of its product. As we have seen earlier, the presence of speculators creates this kind of pressure and further fuels the buying frenzy.”

As speculators tend to snatch up a proportion of the capacity early on in the initial sales period, which helps increase the product scarcity, the company may decide to adjust its capacity slightly upwards in the planning stage so that there will be more to sell to both speculators and those consumers who are willing to buy immediately. This is likely to result in increased sales volume.

Compared with a market without speculators, the company doesn’t have to restrict its capacity to the lowest possible level in order to create buying frenzies, says Prof. Liao. “The speculative activities will automatically ramp up the buying frenzies. That’s why companies actually benefit from speculators, even though they may appear to compete directly with each other. It’s a win-win for both the company and the speculators. Essentially, they have a symbiotic relationship. That solves the puzzle of why companies turn a blind eye to speculation – to a certain degree.”

Restricting Speculative Competition

After the initial sales period, consumers have digested early shoppers’ valuations of this product and will have decided if they are willing to pay the same price or a higher price from speculators if the product is sold out. During this time, speculators may try different tactics to discern how much individual consumers are willing to pay, and in the process charge different consumers different prices.

Another scenario that can happen during this second phase is that speculators may compete among themselves to maximise profits. In such a case, the company’s profits would drop. The more competition there is, the more the company is motivated to restrict speculative behaviour to protect its profits. However, the researchers found that an intermediate level of speculative activity is still helpful in boosting the company’s profits.

“It’s a balancing act,” says Prof. Liao. “While a certain level of speculation can help the firm create a heightened sense of consumer uncertainty and motivate them to make purchases faster, too much competition among speculators can have the opposite effect. Prices will drop and fewer consumers end up wanting to buy the product at a high price from the company.”

Another scenario this study considers is that, some consumers who have purchased the product at the launch period may want to resell their goods during a later period. “When this happens, our model finds that this company’s profits will absolutely suffer,” says Prof. Liao. “Unlike speculators, whose very existence tends to drive up the price of products in a spot market and encourages consumers to bring forward their purchases, resale by consumers tend to have the opposite effect.”

“That’s because prices in the consumer resale market is lower as more consumers resell the products. That’s why companies, should actively come up with strategies to discourage consumer resale at all costs.”



Prof. Chenxi Liao

Prof. Chenxi Liao is an Assistant Professor of Marketing at CUHK. Prior to joining CUHK, she obtained her PhD degree in Marketing from University of Texas at Dallas, and her BS degree in Mathematics and Applied Mathematics from University of Science and Technology of China. She is interested in pricing, competitive strategy, channel coordination, opinion leader marketing, and digital marketing. Her research work has been published in *Journal of Marketing Research* and *Marketing Science*.

Driving Change with Care, Compassion and an Eye to the Future

Doctors' careers are typically straightforward: Six years of medical school followed by specialist training, and then working in public hospitals or private practices until retirement. That is not the case for Dr. Justin Wu (EMBA Year 2), Associate Dean (Health Systems) of the Faculty of Medicine; and Professor of the Department of Medicine & Therapeutics at The Chinese University of Hong Kong (CUHK). His career began just like most students, but chance and circumstances, as well as his openness to change, led him down a different path and into a bigger world.



▲ *Dr. Wu's exposure to various fields, as well as his international experience in the capacity of the President of Asian Pacific Association of Gastroenterology, afforded him with unique perspectives.*

When One Door Closes, Another Opens

Dr. Wu's medical journey began in the usual way. At CU Medicine, he studied under some of the best gastroenterologists – Prof. Joseph Jao-yiu Sung, Prof. Francis Ka-leung Chan, Prof. Sydney Sheung-chee Chung, among others. Apart from being his seniors, mentors and role models, these doctor-professors generously created opportunities for those who came after them. According to Dr. Wu, he was “standing on the shoulders of giants”.

Despite completing his studies and specialist training with flying colours, the economy had slowed and Dr. Wu was met with a setback just as his promising career was set to begin. Fortunately, Dr. Wu's mentors and colleagues connected him to various projects, allowing him to advance his career in more realms than one. At one time, he was tasked with promoting collaboration between Western and Chinese medicine. At another, he founded the “Global Physician-Leadership Stream” of the MBChB programme, which is the first undergraduate medical leadership programme in Asia, and an initiative designed to nurture promising students to become medical leaders. More recently, he spent three years helping to launch the CUHK Medical Centre, and serving as its Chief Operating Officer.

“These opportunities allowed me to experience things beyond the reach of typical doctors. I had the chance to work with elites from various industries and see the world through their eyes. In doing so, I couldn't help but notice the gaps in my knowledge and skills, and how small my world seemed.” His unique experiences also taught him to stay humble and agile while working with different stakeholders. As an inquisitive person with a penchant for new adventures, Dr. Wu kept learning and broadening his horizons. Above all, he made it a point to develop a strategic thinking mindset to foster positive-sum outcomes.

Broader Exposure, Broader Vision

Dr. Wu's exposure to various fields, as well as his international experience in the capacity of the President of Asian Pacific Association of Gastroenterology, afforded him with unique perspectives. He observed stagnation in Hong Kong's development when compared to its neighbours: “Competition is intensifying across the Asia Pacific region, with many ambitious players carving out new markets to meet emerging demands for medical services. Technology and digital transformation are also upending the medical industries and creating new possibilities.” In his view, Hong Kong should more proactively connect with the outside world, stay on top of developments in the region and capitalise on new opportunities with courage and determination.

Dr. Wu believes that taking an interdisciplinary approach and embracing ecosystem development is the way forward. By bringing together the government and the private sector, as well as investors and innovators, Hong Kong can create an ecosystem for network effect and collective growth. “If Hong Kong is to maintain its global leadership, we must innovate, break down professional silos, lift each other up and seize new opportunities, especially in the Greater Bay Area and on the Mainland. The next ten years will be crucial.”

Consolidating Knowledge for Continued Success

Dr. Wu hopes to become a better ecosystem leader in the medical industry. He has long desired to pursue an EMBA to consolidate his knowledge and experiences to become a better leader. COVID's travel restrictions opened a window, and he decided to go for CUHK's EMBA programme. He pointed out that his decision was not a difficult one. As an alumnus and professor of CUHK, he adores the University's culture. He was drawn to the EMBA programme's distinctive features, particularly the integration of Chinese and Western cultures, and he was impressed by the CUHK EMBA alumni.

"I met many alumni through my work at Shaw College. They've impressed me not only with their professional excellence, but also with their dedication to social responsibility. This is a quality that distinguishes CUHK's education. We're encouraged not only to advance our careers but also to find ways to give back. CUHK has the most extensive and solid alumni network of any local university. I knew the programme would help me strengthen my social acumen, professional networking and leadership wisdom, like knowledge about digital transformation."



▲ Dr. Wu has long desired to pursue an EMBA to consolidate his knowledge and experiences to become a better leader.

Ensuring Continuity in Healthcare Quality

While propelling Hong Kong's medical industry forward is his primary goal, Dr. Wu's motivation stems from something more fundamental – to serve patients better and always have their best interests at heart. This is also the quality he hopes to instil in his students. For this reason, he places great importance on creating knowledge and instilling in students the ethics and qualities – empathy, caring and compassion – that doctors require and patients deserve.

One of Dr. Wu's teaching focuses is professional communication. "Doctors exhibit their level of care with words. Patients entrust their caregivers with their lives and health. If what you say can motivate them, they'll remember it forever. But if you say something that violates their trust even inadvertently, the patients will also remember it for the rest of their lives."

Dr. Wu hopes that students who choose to pursue a career in medicine will respect the privilege they have been given. "We receive our medical training to help patients improve their well-being. I often remind my students to take up this mission seriously, to find ways to care and share their strengths, even if the help they're providing may not be medical-related. If doctors can find fulfilment and thus motivation in serving patients, their dedication will benefit our entire healthcare system and spread compassion throughout our society."

Every Person Is the Architect of Their Own Fortune

Looking back at his non-linear career, Dr. Wu is glad that he learnt to enjoy the journey as it came. "I still remember Prof.

Sung shared with me how fortuity plays a big role in life. Many things are unpredictable and do not turn out as we would like. However, we can choose to get equipped and create more conditions for fortuity to occur. If you always give your all and show empathy, care and compassion, people will remember you and opportunities will come your way."

Dr. Wu was grateful to have been afforded the privilege of becoming a doctor and contributing to fostering Hong Kong's medical development. "Even if I could choose again, I would still have chosen to become a doctor as my lifelong career."



WATCH DR. JUSTIN WU'S VIDEO



Dr. Justin Wu
(EMBA Year 2)

Dr. Justin Wu is the Associate Dean (Health Systems) of Faculty of Medicine, CUHK. He is responsible for the development of collaborative network with private health systems, biomedical tech industry, Greater Bay Area and beyond.

He is a professor of gastroenterology with focus in functional gastrointestinal disorder and gastroesophageal reflux disease. He is serving leadership role in many professional organisations, which include the President of Asian Pacific Association of Gastroenterology and the Past President of Hong Kong Society of Gastroenterology.

He is the former Chief Operating Officer of CUHK Medical Centre, the private teaching hospital of CUHK, the founding director of Asia's first "Global Physician-Leadership Stream" of MBChB programme, and the founding director of Hong Kong Institute of Integrative Medicine, which fosters cooperation between Western and Chinese medicine.

He is serving as director and advisor of biomedical technology companies and investment funds. He also actively contributes as incubator and accelerator for biomedical tech start-ups.

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Alumni Career Progress - No. 1 in Asia Pacific
Financial Times 2022



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Priming Students for an Evolving World

A frequent recipient of teaching awards, including the Vice-Chancellor's Exemplary Teaching Award of The Chinese University of Hong Kong (CUHK) in 2015 and again in 2020, Dr. Andrew Yuen is highly focused on preparing students for the future. He works tirelessly to instil within them not only the knowledge they need but also the ability to grow continually through time, learning to adapt to a world where the contours are constantly being redrawn.

"The business landscape is evolving relentlessly. Students must learn fast and adapt to changes. I want my students to stay ahead of the competition in their profession and be capable of crafting their own future. My goal is to help them steer their career and live a life with choices of their own, wherever they are."

Returning Generosity in Kind

Dr. Yuen was one of the many students who benefitted from CUHK's student-centred education. "During my undergraduate and postgraduate studies, I was inspired by numerous outstanding professors who not only were serious about their teaching and academic pursuits, but also demonstrated great dedication to helping students grow. It's one of the reasons I feel a strong connection with CUHK. I wish to pass on this humanistic, caring, nurturing culture imbibed in me and give back by creating value for students."

Dr. Yuen is currently a Senior Lecturer of the Department of Decision Sciences and Managerial Economics. However, he conceded that working as a lecturer was not always on his cards. Following his graduation from CUHK, he worked in a bank for two years but then upon his reflection, "I felt that spending two-thirds of my life helping clients generate profits wasn't something I aspired to do." Dr. Yuen returned to school and pursued an MPhil in Business Economics at CUHK and a PhD in Transport Economics from the University of British Columbia. "Instead of building a career in the business sector, I feel more alive passing on my business knowledge and nurturing the next generation. Thus, I decided to pursue a career in academia."



▲ Dr. Andrew Yuen is a recipient of the Vice-Chancellor's Exemplary Teaching Award in 2015 and 2020.

A Pedagogy that Wins Hearts and Minds

Having taught for more than 13 years, Dr. Yuen has developed a way of imparting knowledge over time that has earned him not only teaching accolades but also the respect of his students. He often goes above and beyond to help students discover the relevance of the subjects and to learn more effectively. "For example, statistics and economics courses may not appeal to some students in the first place. How do you hold their attention throughout a three-hour lecture? That takes thoughtfulness, dedication and painstaking preparation."

Keeping It Relevant and Intriguing

Instead of adhering to textbooks and theories, Dr. Yuen begins his economics analytics classes with trending economic events and news of the week. Among many of his creative efforts, he developed an online game for students to make predictions on the US interest rates. Students were able to see how their assessments stack up against actual developments in real-time. "Learning should be pleasurable. Students learn more effectively when they can connect what they learn in class with what they observe in the real world." This adaptive approach, wholly innovative, also kept things fresh for Dr. Yuen, who teaches some of the same subjects year after year.

Essential Skills for a Shifting World

With the world of work upended by the pandemic, how can students stay competitive? Dr. Yuen identified several key competencies: "Resilience and communication skills are as important as they have always been. Being entrepreneurial and resourceful across industries will help one thrive in times of uncertainty. As a result of the pandemic, many businesses have entered into the race for digital transformation. They are vying for business talent that are digital-savvy to help them blaze a trail in the new economy."

Dr. Yuen's passion and momentum for nurturing the younger generation were palpable. "We have set up a tech-business-focused platform called Innovation x Business @CUHK. Through this platform, we give students the opportunities to work with well-known organisations on consultancy projects and academic research. The Business School is also working with Microsoft to offer practicum opportunities. Students will have a chance to work on innovative business solutions for their clients. These are some of the work that we do to help our students broaden their horizons and stay relevant and competent in this fast-changing world."



Meshing Personal Interests with Research

Dr. Yuen is a passionate traveller during his leisure time. Wherever he travels, he enjoys observing the operations of passenger and cargo movement at the airports. His fascination with aviation and transportation also inspired his research interests in the industry.

Since 2014, he has been serving at CUHK's Aviation Policy and Research Centre and is now the Centre's Director of Policy and Knowledge Transfer. He believes that the aviation industry is unique in its structure and active oversight from the government, offering much room for academic studies and research that can generate impact. "We have been providing policy recommendations for both corporations and the government. This is something I'd like to do more to contribute to the community."



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Dr. Andrew Yuen

Dr. Andrew Yuen graduated from CUHK with BBA and MPhil degrees. Later, he obtained his PhD Degree of Transport Economics from Sauder School of Business at University of British Columbia in Canada. Currently, he is a Senior Lecturer of Department of Decision Sciences and Managerial Economics at CUHK. His main research interests include aviation and maritime economics, industrial organisation and applied econometrics. Since 2014, he has served as the Associate Dean (General Education) of S.H. Ho College, and the Director of Policy and Knowledge Transfer, Aviation Policy and Research Centre at CUHK.

Continuing a Meaningful, Enjoyable and Rewarding Life

Dr. Yuen finds his 20 years at CUHK meaningful, enjoyable and rewarding. His enthusiasm for teaching shows no sign of abating. "My life in CUHK has significantly shaped who I am today. The spirit of humanity and the close ties between students and teachers have sowed the seeds in me to give back and to pass the torch. That's why I have also taken up college work at S.H. Ho College. I enjoy spending time with students, finding what matters in their lives and how to live up to it."

Despite having bagged numerous teaching awards, Dr. Yuen admitted that assessing teaching continues to be a challenging endeavour. "Scoring high in a teaching evaluation does not necessarily mean that you teach well. You only realise the value of your teaching when students come back to you after a few years and you see that they have grown into better people. That is extremely satisfying and makes all of the effort worthwhile."



WATCH DR. ANDREW YUEN'S VIDEO



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***Financial Times Global MBA Ranking 2022**

Entrepreneurial Spirit Soars in the GBA

In China's rising economic powerhouse, the Greater Bay Area (GBA), CUHK Business School alumni are poised to capitalise on the business potential in the region and forge ahead with their entrepreneurial passion. Four alumni talk about how they found and navigated in their blue oceans.



Yatong Li (MBA 2016)

Co-Founder and CEO, VoiceAI Technologies



Victor Lo (IBBA 2016)

Co-Founder, Guangdong Shining Farm



Felix Wong (IBBA 2010) Terry Ku (QFIN 2010)

Co-Founders, King Kong Mini Storage

SHENZHEN
CHINA

JIANGMEN
CHINA

GUANGZHOU
CHINA

Q1 How did you come up with the business idea at first and how far have you gone since then?

The global start-up frenzy a decade ago ignited my curiosity about the AI industry and I came to realise that voice has potentials for AI development. I founded my company on voiceprint recognition in Shenzhen after my MBA study, and it is now a sizable company with over 100 staffs and business covering finance, automobile and security management.

Farming began as a hobby back when my friend and I were in university, but next-generation farming turned out to be a true calling for us and we went on to develop a symbiotic fish-plant aquaponic system in Jiangmen after graduation in 2016. Today, we own a 505-acre integrated farming base with a 6,200-square-metre greenhouse, yielding over 300 tonnes of vegetables and 450 tonnes of rice.

Having worked in mainland China for years after graduation, we realised that storage was an issue for many people, especially with the shrinking living space and the rise of individual e-commerce business. We decided to introduce the self-storage concept into the market in 2017 by starting our business in Guangzhou, and now we are running almost 40 stores in the GBA.

Q2 What challenges did you encounter when you kick-started your entrepreneurial journey and how did you overcome them?

Starting a business is a bold undertaking, particularly with AI technology when it is basically a process of trial and error. The passion of our team is the constant source of creative impetus, their trust encourages me in every step I take. I am happy to see that my company has become a dynamic platform for like-minded people and high-flyers in the industry to thrive.

It is one thing to have overcome the obnoxious physical conditions, but quite another to be in the company of rats and snakes, not to mention our inexperience in aquaponics which often got us into difficult positions. The business acumen and problem-solving mindset grown from school proved handy at critical moments, and I am also grateful that there are great mentors to guide me through.

Self-storage was a brand new concept in mainland China, and much efforts were paid to correct misconceptions and communicate our offers in the first place. Following market research, we animated our brand image and leveraged social media as well as new technologies to generate greater awareness among the younger generation. We also evolved our business with changing market needs, e.g. turning storage space into toy display cases.

Q3 What strength do you see in the GBA and how did you leverage on that in your business?

Capitals, talent, and policies are some of the keys to the development of an economic zone. The GBA has the best of all worlds. With this in mind, I am poised to capitalise on the advantages of the GBA to promote the integrated development of business and technology in Shenzhen and Hong Kong.

Each city in the GBA has its own character and role. In our case, we focus on three pillars of support: financing in Hong Kong, production in Jiangmen, and sales distribution across cities in the GBA. In other words, we leverage the innate advantages of the region, coupled with market demands, to exploit entrepreneurial opportunities to their fullest.

A flourishing e-commerce scene in the GBA ascertains demand for logistics services. Start-ups like us enjoy a big room for development, thanks to the presence of a reliable supply chain as well as a strong pool of talents. Since cities in the GBA share similar culture, we can replicate our success model from one city to another within much hassle.

Q4 How did your study in CUHK Business School equip you to become a capable entrepreneur?

The study helped consolidate both my entrepreneurial determination and the ability to "anchor" my aspirations to solid and practical foundations. The case studies and peer exchanges were very useful in bridging my knowledge gap in the world of business too. I have developed a broader spectrum of perspectives since then.

Managing a vast plot of farmland and hundreds of farmers takes a great deal of business administration skills. Any improvement in finance or time management, however tiny it may be, is a giant step towards efficiency. Thanks to the business training in CUHK Business School, I created a new mode of operation by introducing concepts like economy of scale and branding and successfully reinvigorated the local farming scene.

Running a business isn't easy, and like many others we had very bumpy beginnings. During those days, business concepts and accounting knowledge acquired in school came in handy. We are also lucky to have run into each other and other like-minded people in CUHK Business School. The extensive alumni network remains a valuable asset for us on our way forward.

School News Highlights



JUL

MiM Capstone Project Blazes a New Trail for Overseas Wedding

As a finale to the year-long learning journey, 64 MiM students presented compelling solutions to Primrose Garden Co. Ltd, a wedding service company from Japan, aiming to help their business to thrive amidst the pandemic. In prior, with leading industry experts in Hong Kong and Japan, students went through 2-month intensive training on business case cracking as well as devising creative, practical and client-centric solutions.



AUG

Professional Accountancy Programme Celebrates 35th Anniversary

With 120 alumni, faculty members and guests from professional firms and associations, the School of Accountancy celebrated the 35th anniversary of PACC on 12 August. During the dinner event, Ms. Loretta Fong, President of the Hong Kong Institute of Certified Public Accountants, partner at PwC and an alumna from PACC, delivered an inspiring speech.



OCT

CUHK EMBA Ranks 24th by Financial Times

For the fifth consecutive year, CUHK EMBA is placed at the world's top 30 in the *Financial Times* Executive MBA Ranking, staying top in Asia Pacific and third globally in the "Career Progress Rank". The ranking result is a testament of the School's effort in priming EMBA students with transformative competencies to master their roles as senior executives.



NOV

CUHK Business School Launches MSc in Information Science and Technology Management Programme

Commencing in fall 2023, the School and the Faculty of Engineering jointly launched MSc in Information Science and Technology Management (MSc in ISTM) Programme. The cross-disciplinary full-time programme combines the latest training in information technology and business management required for professionals to succeed in a rapidly changing world.



AUG

MBA Mentorship Programme Concludes a Rewarding Journey

On 19 August, top-notch alumni and MBA students from the signature MBA Mentorship Programme 2021-2022 gathered in an appreciation dinner on Harbour Cruise Bauhinia, celebrating the fruition of the year-long journey and the beginning of lifelong friendships.



SEP

CUHK Business Sustainability Indices Reveal Resilience amid the Pandemic

On 23 September, the Centre for Business Sustainability announced the results of the Business Sustainability Indices (BSI) and the plan to launch Global BSI and Real Estate BSI (REBSI) in 2023. This year, the BSI examines the sustainability performance of 285 companies listed in Hong Kong, Taiwan, Shanghai and Shenzhen, which shows resilience in their sustainability endeavours despite the pandemic.



OCT

CUHK Business School Analyses the Green Fintech Ecosystem in Asia

In collaboration with Golmpact, an ESG and sustainability education firm, CUHK Business School launched a working paper on the green Fintech ecosystem in Hong Kong, Indonesia, Korea, Singapore and Thailand on 27 October. According to the study, government support and talent development are key to driving the growth of green fintech while talent shortage is a shared challenge.



DEC

Class of 2022 Celebrates on Home Ground

After a two-year hiatus, graduates finally got to celebrate one of their most pivotal moments in life at CUHK campus, where Bachelor's, master's, and doctoral degrees were conferred to Class of 2022 on 24 and 26 November. Top performing graduates, together with their friends and families, attended the inaugural Dean's List Awards Ceremony. With aplenty dedicated decorations at Cheng Yu Tung Building, graduates gathered to capture their indelible memories.

The Chinese University of Hong Kong (CUHK) Business School

Address 15/F, Cheng Yu Tung Building
12 Chak Cheung Street, Shatin, Hong Kong
Telephone +852 3943 7785
Email bafac@cuhk.edu.hk
Website www.bschool.cuhk.edu.hk
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