

CONNECT

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REBRANDING FOR SUCCESS

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CUHK Business School
The Chinese University of Hong Kong



Dean's Message

I would like to welcome our readers to this edition of CUHK Business School's magazine CONNECT. The magazine provides a platform to inform readers of selected business topics through articles written by staff and guest writers.

In this issue, we revisit the rebranding journey of CUHK Business School and how the exercise has helped us sharpen our vision and refresh our image. We also look at how three major regions in China have succeeded in economic growth and innovation by leveraging the strategic relationships among the government, local and foreign firms. And we celebrate the success stories of four faculty members who were awarded for their outstanding teaching and research excellence, and of our alumnus, Mr. Alan Yip, an entrepreneur who developed Guru Online, an online marketing company with an innovative management approach.

Situated at the world's doorway to China, with a well-developed foundation in business education and research, CUHK Business School has a unique role in nurturing business leaders of tomorrow. We hope you will find the articles both interesting and stimulating.

Prof. Kalok Chan

Profile: The Chinese University of Hong Kong

- The Chinese University of Hong Kong (CUHK) was established in 1963 after the amalgamation of existing colleges which date back to 1949.
- The Vice Chancellor & President is Professor Joseph J.Y. Sung.
- CUHK has eight faculties (Arts, Business Administration, Education, Engineering, Law, Medicine, Science, Social Science) and 62 academic departments.
- CUHK is ranked 51st in the QS World University Rankings 2015-16 and four of its academic staff have been awarded Nobel Laureates.
- CUHK is based on a collegiate system of nine colleges.
- CUHK has 20,000 students; 2,000 of whom are from outside Hong Kong.

Profile: CUHK Business School

- The Dean is Professor Kalok Chan.
- The Business School is comprised of two schools – Accountancy, Hotel & Tourism Management; and four departments – Finance, Decision Sciences & Managerial Economics, Management and Marketing.
- It has over 4,600 students (full-time/part-time). Each year, over 500 undergraduate and postgraduate business students enroll in international exchange programs during the regular school term.
- CUHK Business School is the first business school in Hong Kong to offer MBA and Executive MBA programs.
- The MBA program was ranked 30th in the world in 2015, and the EMBA program was ranked 31th in the world in 2015 by the *Financial Times*.
- The School runs dual MBA degree programs with HEC in France; Rotterdam School of Management in the Netherlands; and the University of Texas at Austin in the United States. It also runs a joint program with Cambridge Judge Business School in the United Kingdom and MIT Sloan School of Management in the United States; as well as masters teaching partnerships with Tsinghua University and Shanghai National Accounting Institute in China.

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Rebranding for Success: The Journey of CUHK Business School



Successful Rebranding of CUHK Business School

The leading business schools in the world all have an international profile and operate within a global environment. Competition amongst universities for the best and brightest students and staff has become increasingly fierce and the top business schools worldwide compete rigorously in this global market. As the world around us changes rapidly and constantly, top universities are required to keep moving forward and innovate in the way that they communicate their brand, core mission and values. This is precisely why the Chinese University of Hong Kong (CUHK) Business School went through a rebranding exercise and launching the new brand identity in November 2011.

Four years on, CUHK Business School recently commissioned Nielsen, an international marketing research agency, to assess the performance of its brand through a comprehensive qualitative study. According to its report, the rebranding exercise has proved to be a success in helping the School to introduce a more modern and international image, sharpening the School's communication of its core values, strengths in teaching and research, and of its vision "To develop global business leaders for the Asian Century".

"From the Nelson's report, we are glad to see that our stakeholders and alumni understand and are appreciative of the School's progress towards building a fresh image and a more dynamic global brand. However, there is still a lot more work to do, and the School remains dedicated to becoming an even more competitive and well known School at both the regional and global level," says Roger Shew, Director of Marketing and Communications at the CUHK Business School.

The vision behind the rebrand was from the previous Dean of the Business School Prof. T.J. Wong, Choh-Ming Li Professor of Accountancy and Director of Centre for Institutions and Governance.

"In the end, it's all about engagement," says Prof. Wong. "The rebranding exercise was a golden opportunity for us to engage our stakeholders. Everyone was happy with the rebranding and having a unified logo and identity. And I was very proud of our achievement."

"In the Chinese culture, we could be a bit reserved and tend not to share about our success. But the world has moved on, we need to communicate our ideas and stories with the outside world. We need to keep telling our stakeholders including parents of our achievements and aspirations in how to prepare our student for a successful career," says Prof. Wong.

Key Elements of the Rebrand

During the rebrand, the School underwent a significant name change. Being part of a comprehensive university with eight faculties, the School's former name was the "Faculty of Business Administration". In order to align with global practices and to communicate more clearly the core mission of the School, that is, education, the name was changed to "CUHK Business School". Four years on and the name is now firmly established.

"The new name representing our true identity was significant and readily adopted by internal and external stakeholders," recalls Shew.

CUHK Business School also introduced a new logo which takes after the symbol of University's emblem of a phoenix, but with a modern twist and accompanied by a star-like 'spark' to symbolize the concept of 'enlightenment'.

"Our logo needs to reflect our root which is deeply grounded in the University, and it also needs to convey our mission in moving onward and looking outward to the global world. The modernized phoenix is perfect in a way that it is an extension of our mother brand and to our future vision," says Prof. Wong

"As reflected in the Nelson's report, the new logo was reported to be more stylish and eye-catching than the other business schools in the region" Shew adds.



Challenges of the Rebrand

As with any successful brand, the name and logo are elements which are a symbolic representation of an organization, its services and products. A more comprehensive and cohesive brand identity can reflect the core values of the institution as well as create an emotional attachment with the audience. To implement the huge task of rebranding, Dr. Suzanne Godfrey, an expert with extensive experience in marketing and communication, was commissioned to be a consultant of the exercise.

"Your logo and brand identity reflect your vision and values. How you then communicate this - everything you say and do, how the brand and its people behave; is important. It also needs to be consistent to avoid ambiguity on who you are as a brand," says Godfrey, who is an adjunct professor of the School teaching luxury branding.

As with any major change taking place in an organization, the process would be faced with some challenges, as Godfrey encountered.

"The biggest challenge was reflecting input from all the school's stakeholders - faculty, department heads, alumni, students; and getting alignment. Finding the balance between holding on to key elements of the school's existing brand identity yet also evolving it to something more aspirational and relevant to today and in-line with

the school's newly defined vision and mission. People naturally had slightly different opinions on this," says Godfrey.

However, with ongoing discussions and working group meetings with the senior management and active involvement from past alumni who care deeply about the development and future of the School, what was a complex and daunting mission was finally accomplished with a launch of the rebrand in November 2011.

Selection of a compatible branding agency to help develop the new brand identity was also essential to the successes of the rebrand. The School's excellent collaborative relationship with Hong Kong based agency Brand Image paved a robust and visually attractive and functional brand platform.

Making it all Work

The setting up of a new Marketing and Communication Office shortly after the launch of the rebrand was crucial towards establishing and consolidating the new brand identity. The Office continues to play an important role to ensure that the brand platform is implemented consistently and appropriately by internal staff and external design agencies.

"The early adoption by staff, of the principles outlined in the brand guideline was a key towards this success. In the first six months after the launch, we listened closely to staff to ensure that remedial fixes to the brand platform were being addressed and that our staff had all the necessary tools and support to execute the rebrand with minimal disruption," recalls Shew.

The Office has also focused to support the School's media outreach by helping its professors and senior administrative staff to engage and connect with local and overseas media. As a result, media exposure for the School has grown significantly, including a four-fold increase in media coverage in international tier one publications over the past four years. As a result, more and more professors are interested to engage with media to share their research and expert knowledge on hot media topics every year.

To connect with the changing business environment and fast growing development in mainland China, the School has been publishing its China related research articles on an online digital platform called China Business Knowledge (CBK).

"CBK features our competitive edge in all the China-related research conducted at CUHK Business School. It is a global gateway for anyone who's interested in cutting edge research, understanding more about the business environment in the mainland and getting useful advice on doing business in China" says Shew. "It's also a platform to share successful stories of our alumni and the ongoing research by our PhD students - all written for the lay person," he adds.



Prof. T.J. Wong and Mr. Roger Shew.

“ *And I hope we could engage the public in a more interactive way, especially the young generation of our students through social platforms. Our students are our future.* ”

— *Prof. T.J. Wong*

Looking Ahead

As a result of the evolution and fine-tuning of the brand identity since the launch in 2011, a second edition of the brand guidelines will soon be released. Drawing on the experiences and developments of the past four years, the School will continue its journey towards defining and establishing a strong global brand and presence.

The School will also look to further draw upon digital and social media platforms to enhance the communication of its brand. An interactive two way communication will continue to lead the way of the future.

"I hope we could engage the public in a more interactive way, especially the young generation of our students through various social platforms. Our students are our future," says Prof. Wong.

Under the leadership of the current Dean Professor Kalok Chan, the School will continue to benchmark itself with the leading business schools both in the region and the world, and achieve more.

"We will also look to further increase our global presence through the establishment of additional meaningful international partnerships in teaching, research and program delivery. We aim to enhance the diversity of our student population. In becoming a business school of international repute, the communication and promotion of our brand values must ultimately reflect what we are actually doing and practicing on a daily basis," says Prof. Chan.

By Mabel Sieh

The Ripple Effect: How Punishing Corporate Fraudsters Affects Their Peers

Daphne Yiu, Associate Professor, Department of Management



RAPID economic transformation in transition economies often aggravates the problem of corporate financial fraud. China is no exception. A study by CUHK Business School on Chinese firms has revealed that punishment of fraud firms has an effective and far-reaching impact on their peers.

Firms are deterred from committing fraud if their peers in its industry are caught and punished and such deterrence effects are subject to how the observing firm evaluates the possibility of being caught and the likelihood it will be punished the same way if it violates similar prohibitions. This is the finding of a research¹ conducted by Daphne Yiu, associate professor at the Department of Management of the Chinese University of Hong Kong Business School and her collaborators, Yuehua Xu from Sun Yat-Sen University and William Wan from the City University of Hong Kong.

“Our study shows that in transition economies such as China where unambiguous formal institutions regulating firm behaviors are still lacking, listed companies learn by observing the corporate behaviors and consequences of their industry peers,” says Prof. Yiu.

Social Learning Theory

According to the researchers, in transition economies, the transition of an economic system from a centrally planned economy to a market economy provides firms with many opportunities to make a fortune and become successful quickly. However, the development of legal, market and cultural institutions is often still not mature, which easily leads to various corporate financial fraud cases. As such, companies usually learn by observing their peers, and the punishment of fraud firms can send out a clear signal to them as to what types of behaviors are permitted or prohibited. As a result, they will regulate their own behaviors and do the right thing accordingly.

Actually, this social behavior is not new and it stems from a theory called “social learning theory”. According to the theory, learning can be obtained through the processes of vicarious learning, by observing the behaviors and the related consequences of others. As a result of the observations, the observer can be affected and then change their behaviors accordingly. For example, when a child sees another child being punished for stealing a crayon from a peer, he or she will be less likely to do the same. As such, the deterrence effect takes place when an observer sees someone punished for a behavior and then refrains from the replication of similar behaviors in the future.

The Study

Collecting data from a sample of 604 observations of Chinese firms listed on either the Shenzhen or Shanghai Stock Exchange, the study looked into all the corporate financial fraud released and published by the China Securities Regulatory Commission (CSRC) from 2002 to 2008. According to the researchers, the sample period was chosen because it was a period when China was actively moving away from a centrally planned regime and undergoing gradual institutional transition. Moreover, this sample period is after the promulgation and enforcement of several major legislations related to the corporate governance of Chinese listed firms, such as the Provisional Regulations Against Securities Fraud in 1993, the Company Law in 1994, the Securities Law in 1999, the Accounting Law in 2000, and the Rules of Internet Accounting Control (Basic Rules) in 2001.

“We used China as the study context because China’s stock market has just developed and is in constant flux,” Prof. Yiu says.

With the purpose of exploring whether and how fraud punishment levied on industry peers can deter other firms from committing such fraud, the study has four important findings:

Firstly, it finds that the number of punishments of industry peers for corporate financial fraud is negatively related to the likelihood of fraud commitment of an observing firm in that industry. The researchers explain that when more firms in the same industry are caught and punished, the observing firms will witness the danger and even ‘visualize’ the negative consequences more vividly and then become more hesitant to commit fraudulent behaviors.

Secondly, the study finds that the negative effect of industry peers’ fraud punishments on the likelihood of an observing firm’s fraud commitment is strengthened by the total number of fraud punishments of prominent firms in the stock exchange. Stated simply, if more prominent firms in the same industry are caught and punished by committing financial fraud, the observing firms will be less likely to do the same. “Because of the high visibility of prominent firms, punishments of these firms may attract heightened attention from all other firms,” Prof. Yiu comments.



“...the regulators should be aware of the fact that vicarious punishment is more effective to the extent that other firms perceive the fairness of enforcement, which also means that to thwart other firms from engaging in fraudulent behaviors, targeting the ‘big fish’ may yield better outcomes.”

— Prof. Yiu

“And such attention may arouse anxiety and fear in the observing firms and propel them to search for more information about the credibility of the regulatory enforcement.”

Thirdly, the study reveals that the negative effect of industry peers’ fraud punishment on the likelihood of an observing firm’s fraud commitment is weakened when the level of law development is higher. That is to say, the deterrence effect of vicarious punishment is weaker when law development is more developed, which means that when law development and implementation are mature, firms do not have to rely as much on observational learning when it comes to certainty of punishment.

The last major finding of the study is that similar-status² industry peers’ fraud punishment is more negatively related to the likelihood of fraud commitment of an observing firm than dissimilar-status industry peers’ fraud punishment. In other words, deterrence effect of a fraud punishment will vary among firms, with the effect being stronger for similar firms than for dissimilar firms.

“Firms will be particularly alert to learn from the mistakes made by their peer firms with similar status in the industry,” Prof Yiu says. “The similarity in status of the fraud firm and the observing firm plays a crucial role in the social learning process. When witnessing the negative consequences of the fraudulent behaviors of industry peers with similar status, the observing firms likely will perceive increased probabilities of being caught and punished if they commit similar frauds.”

Implications for Policy Makers

Although the study focuses on the learning side of the firms, Prof. Yiu says that it actually has implications for the “teaching side” of the regulators and policy makers in transition economies, especially when they ponder how to make use of the prevailing institutions and governing mechanisms to strengthen corporate governance of listed firms.

As such, the study concludes that regulators need to be careful in the enforcement of rules and regulations on corporate financial fraud, because the manner and targets of such enforcement will likely have important implications for other listed firms in the stock exchanges. Since the findings of the study clearly indicate that more prominent firms being caught will accentuate the effects of vicarious punishment, the regulators should be aware of the fact that vicarious punishment is more effective to the extent that other firms perceive the fairness of enforcement, which also means that to thwart other firms from engaging in fraudulent behaviors, targeting the “big fish” may yield better outcomes.

By Fang Ying

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1. Daphne W. Yiu, Yuehua Xu and William P. Wan, “The Deterrence Effects of Vicarious Punishments on Corporate Financial Fraud,” *Organization Science*, 2014.
2. According to the study, a firm’s status in the industry is defined in term of market share. For example, a firm is considered to belong to the higher-status group if its market share is above or equal to the industry median and to belong to the lower-status group otherwise.

Understanding why Regional Innovations Differ in China

Megan Li, PhD student, Department of Management
Shige Makino, Professor, Department of Management

THREE major regions in China are paving the way in economic growth and innovation.

While they are all successful, each has achieved its success in a different way. Understanding the characteristics of the interaction between the government and local and foreign firms in each region can lead to greater development.

The Yangtze River Delta (YRD) generally comprises the triangle-shaped territory of Wu-speaking Shanghai, southern Jiangsu province and northern Zhejiang province of China.

The Pearl River Delta (PRD) in Guangdong province, China is the low-lying area surrounding the Pearl River estuary where the Pearl River flows into the South China Sea. It is one of the most densely urbanized regions in the world and one of the main hubs of China's economic growth. PRD is often considered an emerging megacity.

The Bohai Sea Delta (BSD) is the economic hinterland surrounding Beijing and Tianjin. It also includes areas in Hebei, Liaoning and Shandong which surrounds the Bohai Sea.

In China, the Bohai Sea Delta (BSD), Pearl River Delta (PRD) and Yangtze River Delta (YRD) regions have been the center of economic growth in China for decades and have attracted significant attention from academics and practitioners. These regions have all undergone rapid development since their establishment, accounting for 58.15 percent of China's GDP despite covering only 9.51 percent of the national territorial area, according to the 2010 national statistics¹.

However, there is a startling divergence among the three regions in terms of GDP, innovation, actual inflow of foreign capital and other key economic indicators. Most reports have shown that YRD is much better at using foreign capital while BSD is better at promoting endogenous R&D. Although PRD was established first and has the most open coastal area, it now faces serious industrial transformation dilemmas.

Many studies have attempted to explain why the economic performance of these regions differs by comparing a variety of location-specific characteristics, as in any regional studies. However, systematic investigations have not been conducted and no consensus has been reached. Our study² attempts to provide a clearer picture of the economy patterns of the three regions in China by comparing the three regions through archival data and interviews with one of the leading scholars in regional innovation in China.

With the collected data and interviews, the team characterizes the regional economic patterns through the interaction among the government, foreign firms and local firms. We found that BSD has the greatest government involvement and the lowest level of foreign dependence, whereas PRD enjoys the greatest dependence on foreign firms with the least government involvement, and YRD reveals a low-to-moderate degree of involvement from both the government and foreign firms.

“ To improve national competitiveness, it is necessary for an emerging economy to transit from imitation to innovation, during which learning is the key. ”

In BSD, local firms play a dominant role in creating the foundation of regional innovation and the government directly supports the process. The nature of the innovation pattern in this region can be described as internal R&D under government control. In PRD, on the other hand, foreign firms control the core innovative knowledge and local firms use this knowledge to produce products mainly for export. This pattern can be described as internal production with external knowledge. And in YRD, local firms hold a strong independent-learning position and the involvement from the government and foreign firms vary from low to moderate. With these distinct industrial development backgrounds and different patterns of interactions between local firms, governments and foreign firms across the three regions, the result is different patterns of government and business ties.

The findings of this study have important implications for business practice. An understanding of the regional development can help entrepreneurs to identify the often invisible contextual factors embedded in their own region, such as the effects of institutions and social ties on business. Hence, entrepreneurs should be aware of the interactions among government, foreign firms and local firms and adjust their strategies accordingly.

More specifically, local firms should be cautious about what different social ties will bring them. In the BSD, governmental ties provide firms with direct access to the resources necessary for innovation, but may not enhance their learning capabilities. In the PRD, business ties with foreign firms give local firms access to advanced technologies, but innovative knowledge is not improved. In the YRD, both types of connections improve indigenous firms' innovation through learning. Thus, when endogenous innovation is emphasized in regional innovation systems (RISs), firms should be aware that even though some social ties can help improve their innovation performance, they may not always enhance their innovative capability.

The role of the government in facilitating regional innovation diverges across regions. As China is transitioning from a planned economy to a market one, the government's role should also shift from guiding to facilitating the economy. However, this study showed that China's economic regions have not developed as such, and thus the government should adjust its role in regional development accordingly.

Although government involvement was lowest in PRD, a good relationship with government officials can still significantly improve a firm's development in this region. And while government involvement was highest in BSD, the firms in this region tend not to keep a close connection with their

government officials as compared with the other two regions. One possible explanation is that as these firms grow, they accumulate their own knowledge and business networks that can provide resources for innovation without much of the government's help. Although governmental ties can provide local firms in BSD with direct access to resources, they can also use their own business ties which tend to be longer-lasting because business partners often share interests and ongoing interactions that enhance trust and commitment to the collaboration³.

However, the priority for government officials is to gain political promotion over subordinate officials which may be different from that of the firms. The different interests may prevent long-term relationships between government officials and firms. In addition, as government involvement increases, governmental ties are less likely to enhance a firm's legitimacy. Therefore, while increased government involvement may increase innovation in PRD, it may not be the case in BSD.

In conclusion, as China is transitioning from a planned economy to a free market economy, it is crucial for Chinese government and firms to recognize the regional divergence in terms of economic patterns. To improve national competitiveness, it is necessary for an emerging economy to transit from imitation to innovation, during which learning is the key. In this transitional process, it is very likely for government to play a critical role by setting the economic policies, such as providing privileges to innovative industries and emphasizing on innovation-related activities. This government practice has proved to be successful in building national competitiveness in other countries, such as Korea and Singapore. Therefore, the Chinese government should also put learning and capability building of local firms as a priority, and identify the diversity in regional economic development patterns as well as take corresponding actions.

By Megan Li

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Award Winning Professors for Teaching and Research Excellence

THE Chinese University of Hong Kong held its 78th Congregation for the Conferment of Degrees on 19 November 2015. Four faculty members from the Business School were awarded for their outstanding teaching performance, research output and contribution to the school.

Choh-Ming Li Professor of Marketing

Choh-Ming Li Professorship is a recognition for the faculty's remarkable performance in teaching and research and contributions to the University. A Choh-Ming Li Professor will be provided with funds to support his/her academic and research pursuits during the appointment term of five years. Established in 2013, this professorship was named after the late Dr. Choh-Ming Li, a distinguished scholar and the founding Vice-Chancellor of CUHK who laid the solid foundation of the University in its early years.

Prof. Hong Ying-yi **Professor, Department of Marketing**



Prof. Hong received her Ph.D. from Columbia University, New York. A renowned expert on culture and cognition, multicultural identity and intergroup relation, she has published over 100 journal articles and book chapters. Her work has been cited

widely in the fields of psychology, business and education. Prof. Hong has been elected Fellow of the Association for Psychological Science and the Society of Experimental Social Psychology, and is currently editor of the *Advances in Culture and Psychology* series published by Oxford University Press.

“ Words cannot express my honor and gratitude to receive the Choh-Ming Li Professorship. I pursued my undergraduate studies at CUHK and had spent some very memorable years on campus. After working in the United States and Singapore for over a decade, it means a lot to me to return to Hong

Kong to serve my Alma Mater. I hope my training in a wide range of theories and methods can help to advance behavioral sciences and interdisciplinary research in the Business School. My three ongoing projects seek to integrate multiple disciplines and methods: (1) Culture and Financial Bubbles examines the link between cultures and information processing styles using behavioral games; (2) China's Soft Power in One-Belt-One-Road examines the role of identity, intergroup relations in business; and (3) Culture and Genes examines how genetic factors affect individuals' multicultural experiences, which would in turn affect epigenetic changes. These approaches enrich the behavioral sciences and interdisciplinary research in business studies. ”

Vice-Chancellor's Exemplary Teaching Award 2014

The Vice-Chancellor's Exemplary Teaching Award Scheme was launched in 1999 to recognize outstanding teachers. Every year, each Faculty can nominate at least one teacher with excellent teaching performance in the eyes of students, as well as other teaching staff.

Dr. Lai Hon-weng, John **Senior Lecturer, Department of Management**



Dr. Lai is currently the Assistant Dean (Undergraduate Studies) at CUHK Business School and serves as Director of Global Business Programs – Global Business Studies (GBS) and International Business & Chinese Enterprise (IBCE). He received his Ph.D. from School of Management, University

of New South Wales. Prior to joining the academia, he had extensive experiences in human resource management and executive training and coaching. With a deep passion for training and education, he is known for his unconventional style of delivering workshops and lectures.

“ The Award is definitely a shared accolade with colleagues and students. Working as a teacher can be exhausting, yet it is also intriguing, rewarding and satisfying. This is especially true under a university setting when a teacher plays the multiple roles of a researcher, counsellor, friend, mentor, entertainer and even magician sometimes. Teaching is about helping students to discover their hidden potential through interacting with them in class. To me, a teacher not only has the ability to influence students' attitude and mentality towards learning, but also prepare them for work and life. The key is dedication and perseverance towards excellent business education, to which all faculty members at CUHK Business School are committed. ”

Young Researcher Award 2014

In order to recognize research accomplishments of young faculty, the University established the Young Researcher Award in 2002. One young faculty with the best research output will be nominated by the Dean of each Faculty every year.

Prof. Yang Yong, George **Associate Professor, School of Accountancy**



Prof. Yang received his Bachelor's degree in financial management and Master's degree in macroeconomics from Peking University, then he went to the Northwestern University for his PhD degree in accounting in

2000. He joined CUHK Business School in 2005. His research interest covers various topics including economic incentives in the areas of accounting, finance, and economics. His past work which centered on corporate disclosure and corporate governance has generated multiple publications in *The Accounting Review*, *The Review of Accounting Studies*, and *Management Science*.

“ It is a great honor to be granted this award. The research funding support accompanying this award will be a big help for my ongoing research projects. I really appreciate the CUHK Business School's generous support in all these years. The highly collegial environment here has greatly enhanced my research work. This honor has definitely further motivated me to work harder for greater achievement. ”

Postgraduate Research Output Award 2014

To encourage quality research, the University established the Postgraduate Research Output Award in 2002. One postgraduate student per faculty will be nominated by the Dean every year.

Prof. Leung Chun-yip, Jerrel **Research Assistant Professor, Department of Decision Sciences and Managerial Economics**



Prof. Leung is currently a Research Assistant Professor of the Department of Decision Sciences and Management Economics. Prior to that he has gained hands on IS experience as a business analyst and project manager. His research

proposes using literature-based theories to solve real-life managerial problems and revolves around topics such as IT adoption, IoT, cloud computing, and big data analytics. His research papers have been published in *Information & Management* and *International Journal of Electronic Business*.

I would like to take this opportunity to thank my supervisor “ and other professors who guided and encouraged me throughout my study. This award is a result of our hard work and dedication together. Without your support, it would not have been possible for me to succeed. I am truly grateful for receiving this award and I feel delighted to be recognized for my work. This award surely encourages me to further elevate my academic research. I hope that I can continue my research for a long time and that my research findings can find its way to contribute to the society. ”

Edited by Mabel Sieh and Louis Lee

An Alumnus Story: Alan Yip

The Success Story of an Entrepreneur



THE Internet has changed the lifestyle of modern humans. It has also altered one man's life in particular. Just three years after his graduation, Alan Yip (BBA 2004) started his own business — an online marketing firm called Guru Online. Eight years later, his company has emerged as an industry leader and been listed on the stock exchange. How did this 33-year-old Chairman of the Board succeed in 'netting' his profit? And how did he encourage his young employees to use their own talent to keep the company one step ahead?

Laying Solid Foundations and Riding the Internet Wave

A Science major in university, Alan saw his CUHK business administration courses as an opportunity to build commercial knowledge, and a gateway to understanding the investment society and joining the mentorship programme. Upon graduation, Alan was first employed by P&G, a world-renowned distributor of consumer goods and then by a medium-sized cosmetics company. His time at these companies served as Alan's 'Shaolin Temple' training camp and prepared him for something bigger and better — his own business. As he worked his way up from Management Trainee to Regional Marketing Director, he became familiar with the management systems of a multi-national enterprise as well as the flexible and varied operations in smaller firms.

Alan knew he wanted to start his own business one day and frequently discussed his plans with his friends. Together, they came up with 22 possible business models. After multiple analyses and debates, they finally settled on opening an online marketing company. "At the time, people didn't know much about the Internet and often confused it with emails, keyword searches and discussion forums. My partners and I had used the Internet for work promotions and discovered that it was less costly yet more effective than traditional media. We had complete confidence in its potential."

Overcoming Adversity and Listing on the Growth Enterprise Market

Having launched the business, Alan's first priority was to forge partnerships with a number of major websites — a big challenge for a new company with no track record. Fortunately, Alan was accepted by most Internet trade professionals who were young and would not pay too much attention to seniority and rank. He also won over their trust through his sincerity and genuine interest in understanding their cultures by opening an account with them.

The next challenge for him was to convince his clients to dedicate their promotional budget to Internet marketing. On the one hand, Alan had to make them see the advantages of the Internet. On the other hand, he had to overcome the advertising obstacles that existed at the time. "In the beginning, website advertisements came in various formats and sizes, which drove costs higher because of the time-consuming process, from quotation to contract signing to delivery of proofs. We suggested our clients follow the U.S. standards which are fairly widely used today. We used our computer skills to create a fully automated process which helped to improve efficiency immensely."

Just as his company was gaining momentum, the 2008 financial tsunami struck, causing his business to come to a sudden standstill. "Everyone was anxious about the drop in business. We had no choice but to cut costs. Luckily, we managed to balance our budget in just three months while we waited for things to return to normal." As it turned out, after the financial tsunami, many corporations had to reduce their promotional budgets and turned to alternative and more cost-effective ways of advertising. Online advertising became the perfect solution. His many years of hard work were finally paid off. In May 2015, he succeeded in listing his company on the Hong Kong Stock Exchange's Growth Enterprise Market.

Attracting Young Talents through Innovative Management

The average age of the Guru Online team member is 27.2 years. To attract these young professionals, Alan opted for a playful office décor — the walls are adorned with eye-catching Lego blocks and Tetris cubes. In the spacious recreational hall, the employees can relax and take in the scenic harbour view while working or even enjoy a game of ping pong during the day. They also have access to a gymnasium and a swimming pool in the office. Many young people can only dream of such a creative and modern working environment. "We are following the Silicon Valley practice. We hope hanging out in a relaxed space will unleash our staff's creativity. In addition, we use glass panels instead of partition boards to create a culture that is open, liberal and equal."

Alan even lets his employees set their own office hours and standards of performance. Performance is measured by figures displayed online. A performance assessment is carried out every six months, with quarterly bonuses awarded to high performers. To develop an open culture, job applications are sometimes evaluated by the staff as the first step in the recruitment process. No wonder Alan describes himself as a platform builder. He builds up the team by bringing out the best in people.

Three Sure-Win Skills to Entrepreneurship

As an entrepreneur, Alan is keen to encourage and support others to develop their own businesses, as long as they are customer value-oriented. He feels the current market is quite suitable for starting up a business and getting financing is not too difficult. He encourages all aspiring young entrepreneurs to just go for it, offering his winning tips for start-ups. "First, do not venture out alone because you may only see part of the picture. It is best to recruit partners with different types of expertise. Second, spend time sharing your ideas with investors. They have a wealth of experience and it's worth listening to their suggestions. Third, pay close attention to your cash flow. It takes time to build an income, so think about how much you can afford to risk."

Alan must be doing something right - now, his market covers both Hong Kong and Mainland China with over 200 employees. His next goal is to materialise the 'Internet +' concept to 'Internet-ise' other traditional trades. He has his sights set on the tourism industry. It will be exciting for the world to see how that story unfolds.

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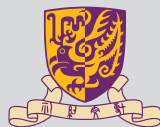


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