

CONNECT

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The Effect of
Individual Auditors
on Audit Quality:

**EVIDENCE
FROM CHINA**

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*From Spa to Chocolate:
An Entrepreneur's Story*



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 look at two interesting research studies: the first one on how individual auditors affect audit quality, with important results influencing auditing standards and practices; and the second on the use of white space and its effect on communications in marketing.

Given that China has invested an unprecedented amount of funding in R&D, will the fat years of development translate into technology innovation? Read our faculty's insights on the topic.

One of our alumni shares her personal journey of how she has become a successful entrepreneur by being humble and sincere.

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 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 46th in the QS World University Rankings 2018 and four of its academic staff have been awarded Nobel Laureates.
- CUHK is based on a collegiate system of nine colleges.
- CUHK has 30,000 students; 7,000 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 4,400 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 36th in the world in 2017, and the EMBA program was ranked 32nd in the world in 2017 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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The Effect of Individual Auditors on Audit Quality: Evidence from China

Wu Donghui

Associate Professor, School of Accountancy

Associate Director, Center for Institutions and Governance

The importance of individual auditors in determining audit quality has received increasing attention in recent years. A China's study by CUHK Business School reveals details of the effect with results influencing auditing standards and practices



Audit plays a significant role in the capital market. Through a systematic and independent investigation of the accounting procedures, judgements and figures, auditors issue audit reports, providing reasonable assurance to users of the financial statements that the corporate financial information is free from material misstatement. And a high-quality audit report is important to offer transparency to a company's information and can facilitate its financing and investment behaviors.

Given that audit is so important, what factors affect its quality? Apart from firm practice, do individual auditors matter too?

"Prior accounting and financing studies have largely conducted audit-quality analysis at audit firm or city-based practice office levels. But the importance of individual auditors in determining audit quality has not received much attention until recent years," says Prof. Wu Donghui, Associate Professor of the School of Accountancy at The Chinese University of Hong Kong (CUHK) Business School.

To better understand the audit quality at individual level, Prof. Wu has carried out a research entitled "Do individual auditors affect audit quality? Evidence from archival data". The study was done in collaboration with Prof. Ferdinand A. Gul from Monash University Sunway Campus and Dr. Yang Zhifeng from City University of Hong Kong.

According to Prof. Wu, individual auditors are constrained by the quality-control mechanisms within the audit firm. Audit firms try to maintain consistency in audit quality through control mechanisms, including standardization of work procedures and centralized control of risk and materiality decisions. However, in such a case, an auditor still has room to exert discretions on his or her personal judgement or decisions.

Although believing that individual auditors can affect audit quality, the researchers are still not sure how large such effects would be. To explore deeper into the effects, the team utilized a large-scale data of over 800 individual auditors in China, and investigated the individual auditor effects.

Audit Dataset Available in China but Not in US

"Data on the identity and characteristics of individual auditors are not available in the US and other major markets, but in China, auditors are required to identify themselves in the audit report, so we analyzed the variation in audit quality across individual signing auditors in China," Prof. Wu explains.

China's auditing standards require engagement auditors to sign the audit reports so that the responsibility of the audits performed can be clarified. And there are usually two signing auditors for each audit report. The senior signing auditor is mainly responsible for decision-making on significant matters in the audit process while the relatively junior signing auditor mainly performs the audit fieldwork. Hence, this unique feature of Chinese market enables researchers to identify individual auditors and to investigate the effects of individual signing auditors on audit quality.

Individual Auditor Effects Exist

For the purpose of the study, the researchers finally included 878 unique signing auditors and 14,802 company-year observations from 1998 to 2009 in the sample. Meanwhile, to measure audit quality, the study looked into several indicators such as abnormal accruals and audit reporting aggressiveness in audit reports and audited financial statement.

The result shows that individual effects are significant, both statistically and economically, for all quality measures. To be specific, the impacts of individual auditor increase the explanatory power of audit quality by 7.02 percent to 33.82 percent, depending on different measures of audit quality.

"The magnitude of individual auditor effects is large and meaningful. For example, the difference between a conservative engagement auditor and an aggressive one in their audited accounting ROAs (i.e., returns on assets) can be as large as 2.6 percent," says Prof. Wu. "This is to say, individual auditors differ to a notable extent in terms of audit quality."

The study has attracted substantial scholar attention. Some researchers caution that findings from China may not be generalized to other markets on the ground that China's institutional settings can be unique. However, several recent studies have confirmed that partners' auditing styles also exist in public accounting professions in Taiwan, UK, and US. For example, Prof. Jere Francis, a well-known auditing researcher, concludes in his co-authored paper that "idiosyncratic partner behavior appears to occur in weak regulatory environments like China, and strong regulatory environments like the UK."

The Individual Characteristics That Matter

According to Prof. Wu, past research suggests that audit quality can be affected by the individual auditor's judgement and decision-making attributes, such as his or her expertise, ability, risk profile, cognitive style, and independence. In light of this, the study examines several personal characteristics, including education, gender, birth, working experience in



“ The result shows that individual effects are significant, both statistically and economically, for all quality measures. ”

*Prof. Wu Donghui,
School of Accountancy,
CUHK Business School*

large audit firms, as well as seniority and political affiliation, to see whether these factors can explain the individual effects.

The result shows that when the signing auditor is a partner of an audit firm, then the audit quality is better. “This is consistent with prior findings that partners take a tougher stand in requesting accounting adjustments than non-partner auditors,” Prof. Wu explains.

Educational background also makes a difference: auditors with graduate degrees tend to be more aggressive, and those who were exposed to Western accounting systems during their college education are more conservative.

Moreover, individuals having work experience in large international audit firms have better audit quality than others, which is also consistent with prior research findings.

Prof. Wu further finds another unique characteristic in China.

“Auditors who have political affiliations, proxied by membership in the Chinese Communist Party, are associated with worse audit quality,” he says. “A possible reason is that political affiliations may provide individual auditors with some protection from audit failure penalties, thus encouraging them to behave more aggressively in auditing.”

Implications for Policymakers

Documenting that individual auditors’ characteristics do affect their judgments and ultimately translating into variation in audit quality, the study carries practical implications for policymakers.

According to the researchers, unlike in China, audit reports in many countries have not indicated the names of engagement auditors until recently when important regulatory changes have been proposed or implemented. For example, in 2011, the Public Company Accounting Oversight Board (PCAOB), the de facto auditing standard setter under the Securities and Exchange Commission (SEC) in the US, proposed to amend its auditing standards to require audit firms to disclose the names

of engagement partners in their audit reports. Citing the study’s findings in its regulatory circle released in 2015, the standard setter explains that “(audit) firm reputation is an imprecise signal of audit quality because engagement partners and other audit participants differ in the quality of their audit work.” The new standard, requiring the disclosure of the specific partner in charge of the audits of public companies in the US, has been implemented earlier this year.

“It is exciting to see that our study has provided a good reference for the standard setters and influenced auditing practices,” Prof. Wu remarks.

“Overall speaking, our work represents a response to the call from academics and policymakers for more scrutiny and understanding of audit quality at the individual auditor level. After this study, we have started several projects on the interplay between individual auditors in audit environment. We expect these follow-up studies to produce important policy and practical implications alike,” he says.

*By Huang Hong,
PhD candidate of School of Accountancy,
CUHK Business School*

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When Less Is Not More: The Effect of Empty Space on Persuasion

Dai Xianchi, Associate Professor, Department of Marketing

Robert S. Wyer, Visiting Professor, Department of Marketing

While empty space in advertising may convey elegance, it may not be an effective way to catch consumers' attention

space



Empy space or white space has been widely used in advertising and interior design to give the feeling of a clean and elegant look. “Less is more” is the message in the modern world. However, will “more” space become “less” effective in communication?

Only a few empirical studies have investigated the effect of empty space on consumer behavior, and the findings are not clear and sometimes contradictive. For instance, a previous study found that surrounding the picture of a product by empty space increases perceptions of the product’s prestige value, thereby increasing evaluations of the product. However, other research suggest that the empty space surrounding a verbal message could draw people’s attention away from the message and decrease the resources they devote to processing it, and thereby decreasing the message’s impact.

In a recent study, Prof. Dai Xianchi, Associate Professor of the Department of Marketing at CUHK Business School, further looked into the effect of empty space on persuasion. The study was carried out alongside his collaborators, Prof. Robert Wyer, visiting professor of the same department and university, and PhD student Canice Kwan, now Assistant Professor at Sun Yat-sen University.

“People’s construal of the implications of a message goes beyond its literal meaning and the white space that surrounds a text message can affect the message’s persuasiveness,” says Prof. Dai.

The researchers proposed that when a verbal statement is surrounded by empty space, it activates more general concepts that there is room for doubt to the validity or importance of the message content.

“In other words, the statement is less persuasive when it is surrounded by empty space than when it is not,” Prof. Dai points out.

The Studies and Results

Seven studies in both laboratory and real-life settings were conducted.

In one study, the team collected 115 images of statements posted on a Facebook page over a one-month period from November to December in 2013, and downloaded a screenshot of each message image to record the amount of space (its image size and text space), audience responses (the total number of likes, shares, and comments), and the presence of non-text elements (a picture of a cartoon character and celebrities, nature scene background, etc.). At the same time, they used the numbers of likes, shares and comments as the indicators of effectiveness.

The results showed that individuals’ likings for the statements decreased as the amount of empty space increased. In other words, the impact of a statement decreases when it is surrounded by empty space.

In another study, 126 Hong Kong undergraduate students performed several marketing studies that were unrelated to the experiment. After that, the researchers announced that they could take away copies of the research paper related to the studies on a table next to the exit.

The copies were placed next to two pasteboards, each with a note that says “PICK ME!”. The text, font size and type of the note were exactly the same, but the pasteboards were in two different sizes and conditions: A4 size with empty space surrounding the text, and A5 size with limited space surrounding the text.

The results revealed that more students (59.6%) picked up the papers in limited space condition than those printed in the empty space condition (37.7%).

“It indicates that participants complied less with the message’s implication when the message was surrounded by substantial empty space,” Prof. Dai says.

“ This study demonstrates how visual clues, in particular empty space, affect the impact of verbal messages. All our results have shown people find a message less persuasive when it is surrounded by empty space than when it is not. ”

Prof. Dai Xianchi,
Department of Marketing,
CUHK Business School

space

To examine whether the amount of space surrounding a persuasive message would influence recipients' opinions when the message was generated randomly by a computer or intentionally by the communicator, another study was performed.

This time, 266 US participants were asked to evaluate two popular quotes from the Internet that emphasized the importance of personal warmth: "Hold on to whatever keeps you warm inside" and "A kind word can warm three winter months". Each quote was presented in either a box with little empty space or a box with substantial empty space.

Unlike in other studies, a headline was also added at the top of each quote. In the condition where the message was randomly generated, the headline stated: "The message and the configuration of the image (e.g., font, color, or other visuals) do not reflect the personal attitude or intention of the author". On the other hand, in the condition where the quote reflected the personal attitude or intention of the author, the headline read: "The message and the configuration of the image are the result of the author's free choice".

In each case, participants were asked to rate the persuasiveness of each statement along three questions: "To what extent do you like the quote?"; "To what extent do you think the quote is important?"; and "To what extent do you agree with the quote?", from a scale of 1 (not at all) to 7 (very much). They also had to report their perceptions on how strongly the quote conveyed its opinion and the time they took to make their evaluation was recorded.

As predicted, the results showed that when the message was generated intentionally by the communicator, participants perceived it to convey a non-significantly weaker opinion when there was substantial empty space than when there was little empty space.

"That is to say, empty space should not influence the persuasiveness of the message if readers believed that the configuration of space and message was generated randomly by a computer," says Prof. Dai.

"Our experiment suggested that people infer the strength of statement from the design - whether the statement is surrounded by empty space or full space," he adds.

The Implications

This study demonstrates how visual clues, in particular empty space, affect the impact of verbal messages.

"All our results have shown people find a message less persuasive when it is surrounded by empty space than when it is not. This offers practical insights on advertising and even in political campaigns. For example, a candidate may want to present his messages in limited space rather than empty space to convey his messages more effectively," says Prof. Dai.

By Fang Ying, Senior Writer,
China Business Knowledge @ CUHK

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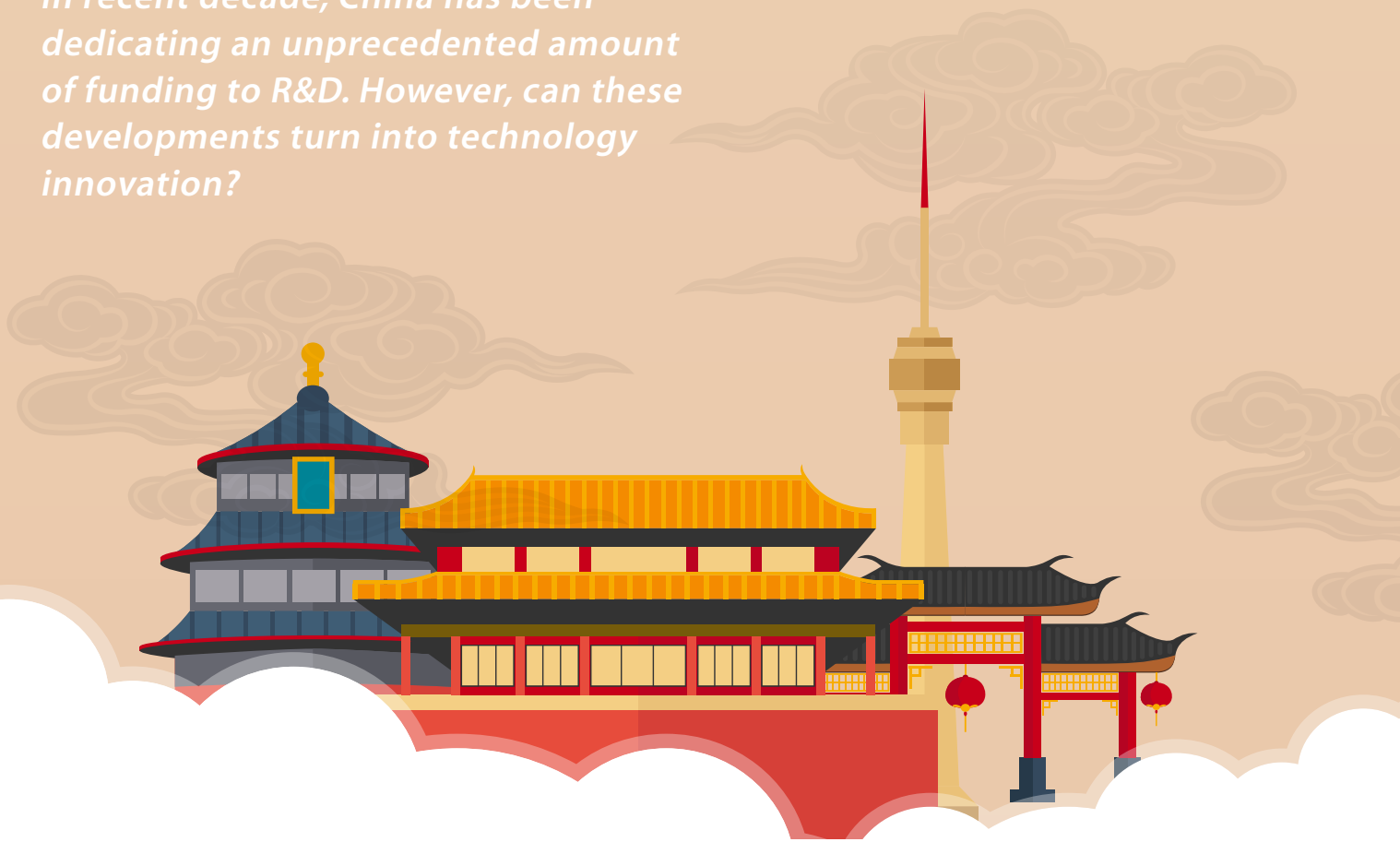
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Is China a Fat Tech Dragon?

*Ma Xufei, Associate Professor, Department of Management
and Director of Center for Entrepreneurship*

Scott Kennedy, Center for Strategic and International Studies

In recent decade, China has been dedicating an unprecedented amount of funding to R&D. However, can these developments turn into technology innovation?



China is distancing itself from other emerging economies, such as Brazil and India, in terms of innovation and high-technology, and gradually approaching more advanced industrialized economies known for their innovation abilities, according to Dr. Scott Kennedy, Deputy Director of the Freeman Chair in China Studies and Director of the Project on Chinese Business and Political Economy from the Center for Strategic and International Studies (CSIS), a Washington D.C. based nonprofit policy research organization which focuses on defense and security; regional stability; and transnational challenges ranging from climate change to economic integration.

“Overall speaking, China’s high-tech drive may be characterized as ‘good-enough’ innovation. It still has a substantial distance to travel before it approaches the level of innovation found in the world’s most advanced economies,” said Dr. Kennedy, at a seminar organized by American Chamber of Commerce in Hong Kong in September 2017. He is leading a project on China’s innovation policy, which sheds light on the trends in technology innovation in China and its implications for policy makers.

He said that China’s innovation performance has gradually improved over the last decade along a number of indicators. However, its inputs in innovation are not translating consistently and smoothly into successful technology innovation outputs.

“China’s innovation inputs, such as funding, have improved more quickly than outputs, such as intellectual property (IP) and commercial performance.”

According to Dr. Kennedy, Chinese spending on research and development is increasing rapidly, from 0.9 percent (\$ 10.9 billion) of GDP in 2000 to 2.1 percent (\$232 billion) in 2016, placing China in the company of other advanced industrialized economies.

When it comes to patents, Dr. Kennedy pointed out that “China may now be a ‘large’ IP country, but it is still a ‘weak’ one.” He said that China’s patent applications have been growing rapidly in recent years, from a total of 170,000 patent applications in 2000, to almost 2.8 million applications in 2015. However, it’s worth noting that only a minority of patents in China are invention patents. More specifically, in 2015, only 39 percent of applications and 21 percent of approvals were invention patents, which means

that the majority of patents were utility-model and design patents, which are granted with far less scrutiny.

Dr. Kennedy added that much of China’s efforts to develop and obtain more IP are driven heavily by the government, rather than the market. And without sufficient market support for patents and other types of IP, “deep technology innovation will be hard to sustain,” he said.

Another measure of China’s innovation performance, according to Dr. Kennedy, is to what extent the technology has been contributed to China’s economy, or in other words, its commercial performance, meaning “if these technologies translate into novel products that are successfully designed, built, and sold.”

According to China’s Science & Technology Progress Contribution Rate (STPCR) released by the Chinese government, which essentially measures the proportion of the economy supported by science and technology in one way or another, the figure has risen almost continuously since it was first calculated in 2005.

In addition, the share of high-tech sector income generated from domestic Chinese enterprises has climbed continuously since 2008, reaching 46.6 percent in 2014. Dr. Kennedy dubbed it “fat years for China’s innovation development.” He said that to some extent, the commercial success of some Chinese technology companies was taking advantage of the China’s market and support of the government, not new inventions and technological breakthroughs.

In light of that, regardless of the level of support they receive from their government, Chinese companies will face growing challenges when interacting with multinational businesses and in overseas markets, he warned.

However, Prof. Ma Xufei, Associate Professor of the Department of Management and Director of Centre for Entrepreneurship at the Chinese University of Hong Kong (CUHK) Business School refuted this idea. A reputed scholar on the development of China’s innovation and entrepreneurship, Prof. Ma believes that a patient and positive attitude is important to innovation success.

He suggested we should take a long-term view to evaluate China’s innovation performance. “When we talk about innovation investments and efforts, we should always be

‘patient’ for the outputs,” Prof. Ma commented. “Innovation takes time. For example, for the R&D of new drugs, there is a famous ‘10-10-10 formula’, which means that to pursue success in such R&D, it always takes about 10 years and costs about US\$1 billion, but the success rate is only 10%.”

He said that according to some scholars, there are three phases of the innovation and technology development in China: ‘from copying to fit for purpose’, ‘from followers to world standard’, and ‘from new resources to new knowledge’.

“Different locations, industries, or companies in China are now experiencing different phases of their innovation and technology development,” said Prof. Ma, who believes that some Chinese companies now are the world leaders in some fields.

He pointed out that ‘innovation’ is different from ‘inventions’, with the former not only referring to new technologies, but

also including innovative business models, in which China has many successful cases. And even for new inventions, China’s performance is also notable.

He said that China has developed its ‘new four great inventions’: lockless shared bicycles, high-speed railway, Alipay, and e-commerce. “They all have achieved commercial success,” he said.

“People may attribute such success to China’s huge market and support from the government, but we cannot ignore the unique spirits or characteristics of Chinese entrepreneurs, who are hard-working, action-oriented, and quick-learning. If we do a variance decomposition analysis of these successes, the portion derived from entrepreneurs themselves could be significant enough and definitely should be highlighted,” Prof. Ma remarked.

**By Fang Ying, Senior Writer,
China Business Knowledge @ CUHK**

“ People may attribute such success to China’s huge market and support from the government, but we cannot ignore the unique spirits or characteristics of Chinese entrepreneurs, who are hard-working, action-oriented, and quick-learning. ”

**Prof. Ma Xufei,
Department of Management,
CUHK Business School**



From Spa to Chocolate: An Entrepreneur's Story

Crystal Hung, BBA in Hotel and Tourism Management 2005

*From being a spa consultant to founding
Chocolat-ier, which earned Crystal Hung a
Silver Award in the HSBC Youth Award 2013.
How did she do it?*



A Lesson for Life: Work Your Way Up

The CUHK Hotel and Tourism Management program was Crystal's first choice when deciding on universities because she thought it would be fun and exciting. The completion of many local large-scale hotels at the time also gave her confidence in the industry. Her vision was right. Over the course of three years, she attended a host of fascinating classes such as culinary arts and sommelier instruction. She also gained real-life experience from interning at Sheraton Hong Kong Hotel & Towers.

"Among the first things my professor told me was that in the hotel industry one must start from the bottom and work your way up. Even if one becomes general manager or director one day, they will need to possess a profound understanding of the basic tasks of every department." Taking this to her heart, Crystal excelled in the program and graduated with first honors.

In her third year at CUHK, Crystal received a scholarship for an exchange at the Cornell School of Hotel Administration in the US. An unexpected enrolment in a spa course opened her eyes and made her realize that spas could generate lucrative income for a hotel. Knowing this would be a future trend, she set her heart on making a career out of spas after graduation.

A Spa Center Above Sea Level

Crystal considers herself very fortunate that the spa trend hit Hong Kong just as she finished university. That allowed her to work at spa centers at hotels with distinct character such as The Landmark Mandarin Oriental and Hong Kong Disneyland Hotel, where she accumulated operations experience. She was later recruited by a spa consulting company as its Project and Development Manager, responsible for designing and building spa centers for international hotel projects around China.

Crystal left her footprint during four years on that job. She learnt on the job and often showed up at construction sites with plans in her hands, inspecting and making sure everything was going smoothly. The projects she worked on included W Guangzhou, Sheraton Shenzhou Peninsula Resort in Hainan, and The Westin Xi'an. Her proudest work was The St. Regis Lhasa Resort in Tibet, a 3,000-meter above sea level project that she coordinated from the beginning to end.

Eventually, the workload took a toll on Crystal. There was a time when she worked on more than 10 projects simultaneously. Every month she spent more than 20 days on the mainland. Tears were shed at the Shanghai airport once when she was stranded until midnight, worrying about a meeting in Guangzhou the next morning.

Determined to reclaim her work-life balance, Crystal bit the bullet to leave the spa industry she was so passionate about.

A Wholesale/Retail Hybrid Model

Crystal noticed from her past experience that hotels prefer to own house brands and they offer snacks such as chocolates, sweets and biscuits in guest rooms. The epiphany led her to open SPA

Formula in 2009. Taking advantage of the supplier network she had developed over time, she was able to source raw materials directly and repackaged them into house brand products for her clients.

Asides from running SPA Formula that focuses on wholesale, she also founded concept store Chocolat-ier, the sole distributor of healthy, low-fat British chocolate products. The hybrid model covers both the wholesale and retail ends on the spectrum. Chocolat-ier first debuted as a shopping mall stand that Crystal rented with HK\$5,000 at K11 in Tsim Sha Tsui. Its overwhelming success prompted her to expand the business and turn it into a franchise with more than 10 retail locations at one point. After the brand has gained considerable brand recognition, it gradually increased its retail presence to cover supermarkets and department stores. Last year the company's turnover reached HK\$25 million.

Crystal has also turned her attention to the wholesale of snacks for children in recent years. To appeal to the masses, she sought the licenses to incorporate characters such as Thomas the Tank Engine, Peppa Pig and Minions into product packaging. As for her retail business, a brand new Chocolat-ier store opened at Queensway Plaza in April.

Be Humble and Sincere

Crystal says humility and eagerness to learn are what led her to success. "The world is so big and full of capable people, so I must keep an open mind and learn from my suppliers, colleagues and clients. For years I've been regularly taking classes to further my knowledge and attending industry seminars to keep up with the times and keep my skills honed." Therefore, many suppliers are happy to introduce Crystal to potential clients, and this valuable connection landed her many major accounts.

To thank her business partners for the support and trust, Crystal always gives her best and adds value to every product she distributes, such as financing product launch parties, dispatching press releases and giving away samples. She also gives feedback to suppliers to address market changes. "Many people think that a business transaction is merely buying and selling, but I want to build a lasting business."

Turning from an employee to a business owner, Crystal advises aspiring young entrepreneurs to think twice before jumping down the rabbit hole because running a business is easier said than done. "A business owner must have strong self-discipline and be constantly learning in order to stay abreast. The owner must also be accountable and take responsibility for the employees. Giving up isn't an option once you've started."

Successful entrepreneurs are all flexible and adaptable as the conditions shift. Embodying the cloud (Wan) in her Chinese name Hung Ching Wan, Crystal has proven she is certainly able to move with the prevailing winds of change.

This story was first published by the Alumni and Corporate Affairs Office at CUHK Business School

Mentorship Programs Bond Students to the Business and Alumni Communities

Mentorship is based on a “win-win” approach for all participants and can help to develop supportive and long lasting friendships



With the beginning of a new academic year at CUHK Business School, two mentorship programs - the Undergraduate Mentorship Program organized by CUHK BBA Alumni Association and Undergraduate Office, and the MBA Mentorship program organized by CUHK MBA Alumni Association and the Office of MBA and MiM Programs - have officially kicked off.

Debuted in 2008 and 2003 respectively, the Undergraduate and MBA Mentorship Programs have proven to be a vital component of the teaching programs. They bring a real-life dimension to the classroom, and provide valuable one-on-one support to empower students in their personal and career development. The programs offer a special opportunity for students to receive individual attention from seasoned professionals and to apply what has been learned at school to the professional workplace. This unique relationship enables mentees to gain invaluable insights into specific jobs, career paths, corporate cultures, and more.

Holding the belief that career planning should start early, the Undergraduate Mentorship Program is open to not only Year 2-4 students but also Year 1 students for the first time this year. Almost one-fourth of the mentees enrolled are first-year students and encouraging responses were received from students of all programs. The 176 selected students will have the opportunity to bond with 121 executives, professionals and alumni for one year and beyond. Each pair of mentor-mentee is matched based on the mentor's expertise and mentees' career interests.

On the other hand, the new class of full-time and second year part-time MBA students will be learning their ropes from 63 movers and shakers of the business community under the well-designed MBA Mentorship Program. This pool of mentors with a variety of profiles means students enjoy a large pool of expertise to draw upon. Many of the mentors are notable business leaders such as chairpersons, CEOs, CFOs, CIOs, managing directors, general managers, presidents and unit heads from leading home-grown and multinational companies as well as successful founders of startups. The mentor-mentee relationship is the transition from the classroom to the boardroom.

The uniqueness of these programs is not just the impressive credentials of the mentors, but lies on the fact that they are all top-notch alumni of CUHK Business School. While some of mentors for undergraduates are business leaders from the school network, most of the mentors are alumni from the BBA, MBA and Executive MBA programs of the Business School. It is the long-standing and active alumni network that helps the School to foster a rewarding learning and sharing environment for the next generation of business leaders.

Prof. Kalok Chan, Dean of CUHK Business School and Wei Lun Professor of Finance thanked the mentors for their dedicated contribution despite their hectic schedules. Prof. Chan expressed, "I would like to thank the business leaders from our school network for their unlimited support in developing our students. I am also pleased to see the giving back by our alumni who have been actively helping the School to build deep connections and influence in various communities." He hoped that the mentees today will take up the torch to become the mentor of others one day.

CUHK Business School is the first business school to offer BBA, MBA and Executive MBA programs in Hong Kong and the region. It has the largest alumni network in Hong Kong, with over 34,000 members, 16 alumni associations and chapters and 42 alumni ambassadors in cities all over the world.

By Edmond Siu, Senior Public Relations and Communications Manager and Summie Wan, Marketing and Communications Executive, CUHK Business School

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