

CITY BUSINESS

Magazine



香港城市大學
City University of Hong Kong
30th Anniversary

College of Business

Delivering 21st Century Healthcare

Dialogues on Salt and Iron

Burning desire to learn

Cambridge: a cautious embrace

**Genie out
of the Bottle**

The impact of the Alibaba IPO

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FEATURES

- 02 Genie out of the Bottle**
Against a background of financial and regulatory convergence, what is the significance of Alibaba's New York listing?
- 06 Delivering 21st Century Healthcare in Hong Kong**
A new theme based CB project aims to build a flexible, quality-driven healthcare system grounded in data analytics

PEOPLE

- 10 Dialogues on Salt and Iron**
Professor Yin-wong Cheung on corporate philanthropy, the valuation of the RMB, and readings in Chinese history with present day relevance
- 14 Burning desire to learn**
Professor Muammer Ozer's vision for the DBA programme, the importance of social networking, and the research our students produce
- 20 Cambridge: a cautious embrace**
CB alumna Dr Helen Bao talks about work at the University of Cambridge, its Asia connections, and living in a city where pedestrians and cyclists come first



RESEARCH SNAPSHOTS

- 22 How China companies build productive international partnerships**
- 22 SEC role prevents IPO hyping in US**
- 23 Government monitoring encourages CSR in China**

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CONTENTS

TIME OUT

- 23 How do we idle away our spare time?
Favourite hobbies, books, and apps revealed

NEWS

- 24 Address to Congregation by
Dean Houmin Yan
- 26 Alibaba Global Dreaming project
- 27 Centre for Social Media Marketing and
Business Intelligence
- 28 College launches Career Service for
undergraduates
- AACSB reaccreditation success
- 29 CB exchange students join volunteering
services
- 30 China Business and Economic
Development Research Centre
- 31 Graduate students enjoy summer
programmes at Haas School of Business
- 32 CB hosts International Deans' Conference

34 ALUMNI CLASS NOTES

36 COMINGS & GOINGS

ONLINE EDITION

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ON THE COVER

Executive Chairman of Alibaba Group, Mr Jack Ma
Photo courtesy of Jewel Samad/ AFP

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From the Dean

Welcome to this second edition of City Business Magazine!

Our cover story this time is the Alibaba IPO, and in *Genie out of the Bottle* CB faculty and other experts comment on the significance of the New York launch. CB has been working with Alibaba for a number of years in both research projects through the Centre for Social Media Marketing and Business Intelligence, and student internships. Last summer our students got an insight into what drives innovation in a company that is taking the world by storm – as you can read in *Alibaba Global Dreaming project*.

We also feature CB's new Theme-based Research Scheme project, *Delivering 21st Century Healthcare in Hong Kong*. This is the first time the Hong Kong Research Grants Council has awarded such a prestigious scheme to CityU, and we very much look forward to working with our partners on this project, in Hong Kong and around the world.

Delivering 21st Century Healthcare involves collaboration with a number of leading healthcare professionals. We are delighted to have the experience of Professor EK Yeoh, formerly Secretary for Health, Welfare and Food of the Government of the HKSAR, and Professor Hong Fung, formerly Cluster Chief Executive of the New Territories East at the Hospital Authority on board. The efficient delivery of healthcare has been widely debated in recent years, and this project promises to make a crucial contribution to our society.

In *Dialogues on Salt and Iron* Professor Yin-wong Cheung brings us some surprising insights from the past, whilst *Burning desire to learn* features Professor Muammer Ozer's innovative DBA programme and highlights a selection of our students' recent research. It's always interesting to catch up with alumni from around the world, and in *Cambridge: a cautious embrace* we hear from Dr Helen Bao, University Lecturer in real estate finance in the Department of Land Economy, at the University of Cambridge.

I do hope you enjoy reading this edition of our Magazine, and we very much welcome your feedback!



Houmin Yan



GENIE OUT OF THE BOTTLE

The impact of the Alibaba IPO

By Eric Collins

This was a big bang by any measure. An Initial Public Offering (IPO) which broke all records, shares soaring 38 percent on their debut, and US\$21 billion raised. After its IPO, with a market value of US\$220 billion, Alibaba was worth more than Facebook, Amazon or eBay. The figures are mind numbing. But what is the wider significance of the Alibaba IPO?

“Listing in the US can be seen as a sign of confidence as the company has stood the scrutiny of western standards of corporate governance, accounting and auditing,” says **Professor Yin-wong Cheung**, Hung Hing Ying Chair Professor of International Economics, and Head of the Department of Economics and Finance, at City University of Hong Kong.

The launch comes against a background of gradual financial and regulatory convergence between China and the rest of the world. “The China financial sector is complicated, and still relatively underdeveloped,” adds Professor Cheung. “But you cannot change things at the snap of your fingers. Look at the European Union’s effort to equalise banking and tax regulations. That is taking quite a few years to work through.”

e-everything

For **Professor Yue Ma**, Chair Professor of Finance, in the Department of Economics and Finance, City University of Hong Kong, it is the scope of Alibaba’s activity that makes it special.

“This IPO leads the way for setting up a business model for the next generation. The reach of Alibaba makes it special – ecommerce, ebanking, eFinance, eRiskmanagement, eInsurance, eEntrepreneurship, all using big data analytics.”

“It is also part of a wider alignment of financial cultures between China and the rest of the world,” explains Professor Ma. “According to the World Trade Organization (WTO) agreement signed in 2001, all WTO members will have to recognize China as ‘a market economy’ after 15 years. This implies that in a couple of years China will be more integrated with the global markets. There will be more foreign competition inside China, and correspondingly there will be more China investment globally. So the Alibaba launch is very much part of this expansion process.”

The IPO comes against a background of China trying to liberalise capital accounts and get more companies to set up overseas. Due to this IPO success, and the fact that Alibaba is engaged in mergers and acquisitions in the



Mr Jack Ma, Executive Chairman of Alibaba Group, at the New York Stock Exchange

Photo source: Jewel Samad/ AFP/ Getty Images

US, it is likely that more companies will want to follow suit.

China companies are also set to take more of a leadership role in innovation and this may have implications as to where they list.

“As intellectual property protection remains weak in China, and as China companies become more innovative, they may prefer to invest more in the US to get good legal protection for their products,” says Professor Ma.

China tech – a second look

Confirmation of the landmark significance of Alibaba comes also from the financial community.

“With the success of this IPO, people are now looking more closely at China companies,” says **Dr Alan Song**, Managing Partner of SB China Venture Capital who has worked with Alibaba and Taobao in earlier fund raising initiatives.

“It’s a good example, and it’s been audited by international accountants. Of course some mainland companies have had accounting issues. But now people will be looking more closely at China technology companies and thinking that there could be gold in there.”

Closer weave of the financial fabric

The Alibaba IPO is part of an ever-closer weaving of the financial fabric.

“

With the success of this IPO, people are now looking more closely at China companies.

”

“The trend is towards greater China engagement in multi-level global issues,” says **Dr Reuben Mondejar**, Associate Professor in the Department of Management, City University of Hong Kong.

“This is a long term process. We can trace it back to at least 2001 when China joined the WTO. That triggered China companies starting to work with greater transparency, for example banks working through due process with risk analysis,” says Dr Mondejar.

Intense scrutiny

In the months leading up to its IPO, Alibaba underwent an intense scrutiny by the US Securities Exchange Commission (SEC) which styles itself as ‘the investor’s advocate’. The filing process, from initial registration to issue of prospectus took more than four months. In response to comments and concerns raised by the SEC, the initial Registration Statement was amended no less than seven times. And in the final Alibaba Prospectus there were 44 pages of risk disclosures — twice as many as in the Facebook IPO — so the investing public has certainly been forewarned of potential downside.

Still, concerns persist about the very basis of Alibaba’s listing as a Variable Interest Entity (VIE). Alibaba is best known as a mainland e-commerce giant, but the Alibaba Group Holding Ltd that is listed in the US is incorporated in the Cayman Islands. Under the VIE structure, the holding company has contractual rights to the profits of Alibaba China, but no economic interest in the assets of the mainland company. The VIE arrangement is not new, with over 200 listed Chinese companies taking advantage of it in the US. What is new is the scale of the Alibaba IPO, and what this signals is that the SEC, and along with it the American investing public, are now sufficiently confident in the arrangement to invest in quantity.

“We have to consider how countries understand one another. As part of a broad spectrum, IPOs have an important role to play. So does the negotiation involved in being a member of international organisations such as the WTO. And on another level just ten years ago the idea of people from China joining the Forbes list would have been unthinkable — look at the situation now!” comments Dr Mondejar.

An epochal event

To take a broad historical sweep over the last five hundred years, Dr Mondejar considers the 19th century industrial revolution and the current tech revolution to be on a par as events of truly epochal proportions. And the Alibaba launch is pivotal to the momentum of China's role in this second revolution.

Has Jack Ma captured the zeitgeist for the younger China entrepreneurs?

"Alibaba is new to the new world but it's been around for 15 years in China, so it is not new here," says Dr Mondejar.

"But as opportunities in the US and Europe have fallen away, we are seeing 30% of the Chinese educated abroad returning home. That figure was just 10% a few years back. So we will likely see many more Jack Ma's starting up in China."

What the effect of so many talented people returning to these shores may be, only history will tell. One thing seems certain: the Alibaba IPO is kick-starting something big. ■



Alibaba Group's corporate campus in Hangzhou, China

Photo courtesy of Alibaba Group

Delivering 21st Century HEALTHCARE in Hong Kong

The rising cost of healthcare is a concern for governments around the world, with aging populations consuming an ever greater proportion of GDP. At the same time health services are often vigorously defended, many seeing them as an essential pillar of society. In Hong Kong the healthcare services are cherished, and now advances in database technology mean that real progress can be made in delivering a flexible and efficient system. This opportunity is to be leveraged in an ambitious project *Delivering 21st Century Healthcare in Hong Kong – Building a Quality-and-Efficiency Driven System*, recently approved by the Hong Kong Research Grants Council.

“We aim to help develop an efficient, quality-driven healthcare delivery system in Hong Kong that is built upon data analytics and is compatible with the internet age”, says Project Coordinator **Professor Frank Chen**, Head of CB’s Department of Management Sciences.

The Theme-based Research Scheme project is led by the College of Business working in collaboration with Chinese University of Hong Kong, Hong Kong Polytechnic University, Hong Kong University of Science and Technology, Lingnan University, University of Hong Kong, as well as Columbia University in the United States and Curtin University in Australia, and is supported by a grant of HK\$20.45 million.

Delivering 21st Century Healthcare plans to research and provide recommendations in three areas: operations research into hospital resource planning, healthcare data management, and more long-term population healthcare life-cycle studies.

Healthcare is hot

“Healthcare is a hot topic all over the world”, Professor Chen continues. “In the US it’s taking over 17% of GDP, in the UK and Australia it’s over 9%, so governments have the motive to act.”

In Hong Kong healthcare costs equate to just over 3% of GDP – and less than half of that goes on the public healthcare system. But with an aging population, bills are set to soar. Any efficiencies that new technology can deliver are eagerly anticipated.

“Our research plan calls for in-depth studies on applying data analytics technologies to help deliver better care at affordable cost,” says Professor Chen.

The American connection is important. The US National Science Foundation (NSF) recently organized a task force to identify Grand Challenges for the next ten years, and the health care sector came out as a top priority. The Chair of the NSF Health sub-committee was **Professor David Yao**, of Columbia University, who is also a Co-Principal Investigator on this project.



From left: Dr Yanzhi Li, Professor Houmin Yan, Professor Jeong-Bon Kim, Professor Yer Van Hui, Dr Carrie Lin, Professor Kelvin Yau, and Professor Frank Chen of the research team

“Professor Yao is probably the mastermind of the project, he’s the one who had experience of healthcare research papers in China and Singapore, and he came up with the concept,” says Professor Chen.

How about specific problems in Hong Kong health care?

“Health management, as opposed to clinical research, has been historically under-researched in Hong Kong. So there’s a great opportunity to contribute to the sector,” says Professor Chen.

“Due to zoning issues in Hong Kong waiting times are very uneven. The median waiting time for non-urgent outpatients in the Kowloon East cluster is 60 weeks, compared to just seven weeks in Hong Kong West!”

The project also owes much to the experience of Advisory Board members **Professor EK Yeoh**, formerly Secretary for Health, Welfare and Food of the Government of the HKSAR, and **Professor Hong Fung**, formerly Cluster Chief Executive of the New Territories East at the Hospital Authority. With such senior figures on board, it is hoped that the doors to interdisciplinary research will be opened, practical matters of coordination boosted, and access to data facilitated.

Predictive analytics

The big new game in town is predictive analytics. The idea is that when things occur they don’t do so all at once but gradually over time. Correlational analysis can identify the specific patterns that occur before, for example, something breaks. This is as true for industrial systems such as car maintenance as it is for the human body. A well known example is Google



flu. Google discovered that certain search terms are good indicators of flu activity. Google Flu Trends uses aggregated Google search data to estimate current flu activity around the world in near real-time.

Note the 'near real time.' In the old days a health authority would aggregate and publish data perhaps once a month, reporting after the event. Nowadays statistics are being released online *before* the event.

This kind of predictive analytics technology first became prominent in marketing. For years sites such as Amazon have offered their users analysis such as: *Customers who viewed this item also viewed...* The technology behind this system is based on a patent for item to item collaborative filtering, and dates back to 1998. It doesn't need to compare people with other people. It just needs to find associations between items themselves. Today it is estimated that about one third of all Amazon's sales are the result of its recommendation and personalization system.

Linked databases

The same methodology can be applied to other sectors such as health or safety, but the analysis can only be worked if the databases are linked in a usable way. Co-Principal Coordinator **Professor Kelvin Yau**, has been working on health and safety projects, albeit with somewhat project-specific databases, for the last ten years or so.

"As a first attempt, we started searching publicly accessible Hong Kong traffic accident data to try and examine the interrelationship between accident incidence/severity/pattern and a set of human/vehicle/environmental factors. We have experienced difficulty in that the data cannot be effectively linked, and therefore the outcome cannot be corresponded to the explanatory variables, which limits further exploration on the substantive issues on traffic safety in a multi-faceted way."

"At the moment Hong Kong government departments have all got their own separate databases. In some countries such as Australia the government has taken the initiative to link databases. It would be very helpful if the Hong Kong government could take the lead and establish a similar linked database, of course with deidentified personal data," Professor Yau added.

The health sector is producing Big Data on an industrial scale — somewhat similar to Google, Amazon or eBay. And academia is responding. In 2013 researchers worldwide published approximately the same number of papers on using prediction in healthcare as were published in the entire 1990s. In Hong Kong, Professor Chen and his team are sitting on a gold mine. The Hospital Authority and her cluster hospitals accrue large quantities of data on a daily basis simply as a part of doing their

regular business. The big question is how far can this rich data source be exploited here in Hong Kong?

Individual privacy: at what price?

The question revolves around the issue of risk management: how to balance individual privacy rights with the collective rights to an efficient quality health system, and this is something that concerns organisations worldwide.

The Organisation for Economic Co-operation and Development (OECD) has spent a lot of time looking at this issue in the last few years. With 34 member countries, not surprisingly there are significant differences in the extent to which personal health data may be collected, linked and analysed. Many countries report legislative barriers to the use of personal health data. The OECD has concluded that a risk classification of data and data uses is needed to identify cases of higher risk to patient's information privacy.

Goldmine waiting to be tapped

As College of Business Dean Houmin Yan, Project Co-Principal Investigator says:

“We have been working with driving efficiency in business systems in the past. Now with healthcare systems, it has to be quality and efficiency focused, human centric, and fairness driven. As far as large volumes of healthcare data are concerned, the goldmine is there. The issue is how we can identify and use the relevant data.”

Areas that the project will work on include networked hospital resource planning and management, public-private partnerships, patient flow management, multidimensional mining of healthcare data, and risk-adjustment methods.

Thanks to a unique combination of factors, Hong Kong healthcare is on the cusp of a new era. This ambitious project, very much in the tradition of applied CB research projects which aim to improve the quality of ordinary citizen's lives, looks set to make a significant contribution to healthcare services in Hong Kong. ■



The 2012 London Olympics Opening Ceremony celebrates the Great Ormond Street Children's Hospital, part of the National Healthcare service in the United Kingdom.

Photo courtesy of International Olympic Committee and CIO / Jason Evans

Dialogues on SALT and IRON

Professor Yin-wong Cheung is Hung Hing Ying Chair Professor of International Economics, and Head of the Department of Economics and Finance at City University of Hong Kong. After graduating from the University of Pennsylvania in 1990, he joined the University of California in Santa Cruz, and taught there for over twenty years before joining CityU in 2011. His areas of research include econometrics, applied econometrics, exchange rate dynamics, asset pricing, output fluctuation, and economic issues in Asian Economies. Professor Cheung talks about philanthropy, research in finance, and his readings in Chinese history.

The life of an international economist is a busy one and Professor Yin-wong Cheung is just back from the considerably cooler climes of Helsinki where he has been presenting research papers at the Institute for Economics in Transition, Bank of Finland, and the University of Jyväskylä, and discussing research and academic collaboration possibilities.

Apart from being Head of the Department of Economics and Finance, Professor Cheung is the first endowed Chair Professor in the University, the Hung Hing Ying Chair Professor of International Economics. What does this mean to him?

“First of all I would like to express my profound gratitude to the Hung Hing Ying and Leung Hau Ling Charitable Foundation for their support.

We are still a relatively young university, and this kind of backing and recognition from the wider community is really important to us.”

The Hung Hing Ying family has a long history of philanthropy in Hong Kong tertiary education, and their name graces one of the oldest educational buildings in Hong Kong. How does Professor Cheung see the role of philanthropy in Hong Kong compared to America?

The philanthropic path

“These are different cultures with their own distinctive histories. In the United States the culture of philanthropy in tertiary education has been alive for centuries, and endowments can form a significant part of university income,” he notes.

Professor Cheung is no stranger to the United States, having studied for his PhD at the University of Pennsylvania, and spent nearly twenty years on the faculty of the University of California, Santa Cruz.

“Benjamin Franklin helped establish UPenn back in the mid eighteenth century, and he’s still very much remembered. I used to walk past his statue everyday on the campus.”

Later on UPenn was to pioneer many educational innovations, such as establishing Wharton as the first collegiate business school in 1881.

The tradition of giving endowments to North American education continued down into the 21st century. Some donors were recognized with named buildings or programmes, some preferred to remain anonymous. One of the greatest examples of hidden philanthropy is John D Rockefeller’s establishment of the

University of Chicago. He steadfastly refused to have his name on the institution.

Professor Cheung clearly finds this broad tradition of American philanthropy to be a force for the good but sounds a cautionary note: “Generally when the ground rules have been established and accepted, it’s a hands off situation. But there can be issues around benefactors’ micro-management of projects. I am aware of projects which turned sour when there was a little too much input coming from the donors.”

RMB valuation

Professor Cheung has for many years engaged in teaching and research on international finance, especially around the more abstruse theories of international finance and practical issues surrounding exchange rate dynamics, publishing extensively in the area.

“The RMB exchange rate issue has been a matter of academic focus at home and abroad for some years. Common consensus would have it that the Renminbi is undervalued and much of the discussion is around its appreciation.”

But Professor Cheung points out that evidence for RMB undervaluation is not foolproof, and may not survive rigorous examination. Also that exchange rate policy alone is not likely to resolve the global trade imbalance issue. Finally, he suggests that the internationalization of the RMB should be a process of gradual reform and development.

“The RMB offshore market development is currently centred in Hong Kong under a transparent regulatory regime. There can be a gradual liberalization in trade with RMB settlements, and capital account items, but it is important not to overheat the market. Meanwhile, government regulation can be adjusted and appropriate open market forces introduced.”



The internationalization of the RMB should be a process of gradual reform and development.

A listening Emperor

Professor Cheung believes that it is good to get away from 'the boring world of economics' now and again, and that has led him towards readings in Chinese history, albeit sometimes with a financial flavour.

One book on his shelf is the *Political Dialogues in the Zhenguan Reign* by WU Jin (吳兢《貞觀政要》). The book offers a historical record of the conversations between Emperor Taizong and his ministers. Professor Cheung explains that these conversations covered a wide range of issues on governing the then Tang Dynasty. Among the numerous valuable insights and lessons, one that is quite striking is Taizong's willingness – even eagerness – to take critical and at times harsh comments from his ministers. He was after all perceived as wielding absolute power as the emperor. It is this willingness to listen to and consider alternative points of view, a quality that Professor Cheung finds frequently lacking in modern politicians, which makes Taizong one of the greatest emperors in Chinese history. Like many classical Chinese writings, *Political Dialogues in the Zhenguan Reign* is a treasure of wisdom.

Debate takes off

Debates on philosophies of economics took place quite early on in China. *Discourses on Salt and Iron* by HUAN Kuan (桓寬《鹽鐵論》) is a transcript of viewpoints discussed in

a forum held in 81 BC, initiated by the government during the reign of Emperor Zhao of the Han Dynasty. Professor Cheung believes that the book is the first extensive record of debates on laissez-faire and state interventionist policies. The forum covered a wide range of policies, well beyond the state monopolies of salt and iron, introduced by Emperor Zhao's father, the renowned Emperor Wu.

These policy debates were characterized by praise for state intervention offered by government officials and representatives, and the opposing view emphasizing the merit of the free-market mechanism pronounced by respected and learned scholars (賢良).

The government had to defend not only its economic policies including state monopolies on salt and iron, the nationalisation of the minting of coins/money, and the price stabilisation scheme, but also foreign policies, such as wars against Mongolia, and social and education policies.

"The government line was that by nationalizing the iron industry they could efficiently produce good quality tools, offer good working conditions, and stabilise prices. At the same time the state-owned monopolies would generate much needed funding to cover war expenses without imposing extra tax burdens."



Gentlemen in conversation, Eastern Han Dynasty

Are quotas working?

"But the scholars pointed out that the monopoly focused on quotas rather than quality, and that the tools produced were of poor quality and expensive. Once the government started to compete with people for profits, it distorted the incentive structure, and induced corruption and abuses of power. So here we see archetypical arguments against government involvement."

While these ideas and arguments are quite standard even for non-specialists these days, they represented quite deep thinking two thousand years ago.

The people voice opinions

"The interesting point is that the government was taking the record of the debate, but the tone of the book was implicitly siding with the public's point of view on the free market! So you see a relative openness in terms of the government body. While the author HUAN Kuan was a government official, he

was also a learned scholar."

Professor Cheung believes that there is something to be learned from the historical record, beyond knowledge and wisdom.

"Back in those good old days the debate on government involvement in the economy was already around, and the government actually initiated the discussion. People did not hesitate to voice their opinions, and some were obviously not in line with the official view."

"These discussions, conducted about two thousand years ago, predate any such debate in the western world on economic policies. There was the absolute power of the emperor, but people still enjoyed a relatively open environment to express their views, conduct constructive dialogues with the authorities, and seek consensus."

The Future of the Mind

Professor Cheung's interests reach beyond history, and he has recently been reading the work of the American physicist, and renowned writer on popular science, Michio Kaku, *The Future of the Mind: The Scientific Quest to Understand, Enhance, and Empower the Mind*.

What attracted Professor Cheung to Dr Kaku's work?

"Michio Kaku's writings, similar to those of Stephen Hawking, offer me a different perspective to look at the world around me — one is nano-scale, the other astronomical. Compared with what we know about universes and galaxies, including *Star Trek*, we know relatively little about the inner working of our brain, memory, cognition, conscience, and intelligence."

"It's very likely that we will be able to understand memory and ways to recreate and store it outside the brain. This could have profound implications in the medical field. If you can store the memory somewhere then you can reconstruct it."

"With his extensive background interviews, Michio Kaku provides a vivid account of recent developments on the frontier of neuroscience. While the current research on memory and conscience is at an early stage, the implications are quite profound."

But moral issues emerge along with these potential advances in research.

"What would happen if one's memory could be modified and edited? Will the science of the future spell the end of humanity and civilization as we know it today?"

"If nothing else, the book has allowed me to have in-depth conversations with my daughter and son, who are working in the neuroscience and computer industries," says Professor Cheung.

"Right now we communicate using the internet. But there are already experiments where thought is transmitted across continents — a sort of brain network. So today we may be experiencing just the start of the communications revolution." ■

BURNING DESIRE TO LEARN

Professor Muammer Ozer is Director of the Doctor of Business Administration (DBA) programme at City University of Hong Kong. He is a Professor of Management, holds a PhD in Business Administration from the University of Pittsburgh, and is also a graduate of the executive education programme of Harvard Business School. His research focuses on the strategies, behaviours, and performance of individuals, teams, and firms within the context of innovation and technology management, information technology, and international business. Professor Ozer talks about his work with the DBA and how the programme is developing under his leadership.

The Doctor of Business Administration (DBA) programme is all about building learning partnerships, and the keystone for its success is one-to-one supervision.

“We’re working with high achievers who tend to be demanding,” says Professor Ozer.

“Motivation is high, so the learning partnerships that we build up are mutually rewarding. Matching potential applicants with their supervisors is a crucial part of the picture, and we want to get that right from day one.”

The DBA learning partnerships involve working under the guidance of a mentor/supervisor. DBA candidates go through a structured programme of study, which will lead them to identify a thesis topic and then a thesis proposal, before embarking on a self-directed research study, all in close partnership with a dedicated DBA supervisor.

“We’ve had a careful look at the audience for our DBA projects,” Professor Ozer explains.

“We start out with what are often case studies of the student’s workplace. Then we engage in a spiralling out process to include other stakeholders such as investors, or executives in other companies in the same sector. Then we go wider still, looking at what governments might need to know to inform better decision making. Finally we look at whether we can make an academic contribution. And with the widest scope we aim to achieve societal impact.”

DBA research topics come from a wide range of areas.

“We’ve had mainstream business studies such as looking into the process of Asian venture capital funds, environmental themed studies such as clean energy, financial studies on the gold market and the internationalization of the RMB, logistics studies on risk management in container terminals – the list is long.”

What do students want to get out of the DBA programme?

"That depends. Some students want to use the DBA experience to improve what they're doing in their present company. Others see it as a stepping stone, a great opportunity to help them in starting a new business or moving industry."

Professor Ozer gives an example of one of these students.

"We had an applicant from a multinational financial company. He was trained as a financial expert, so I was thinking of various finance professors who might work as his supervisor. But it turned out that he wanted to study leadership so that he could take on a new role in his organisation, and so we started to look for a professor with relevant expertise in that area."

The DBA programme is all about building learning partnerships, and the keystone for its success is one-to-one supervision.



"We also get other students who may have retired from the workplace and are looking to research an interest that has been gnawing away at them for some years. So really the name of the game is catering for individual learning needs – and being well resourced, that's something we can really deliver on."

How about programme support? Has that changed over the years?

"Yes, we've added a dedicated statistical consultant, as well as a tailor-made English course in academic writing. All students – even first language users – take this course because academic writing at this level is a specialized genre."

Social networking is also an integral part of the DBA experience.

"I call it *No presentations, No professor speeches!*" says Professor Ozer, somewhat tongue in cheek.

"We run dinners and other events where DBA students from all years, as well as alumni can get together and socialise. It's a lot of fun and things tend to flow well in a less structured environment."

Professor Ozer first came to Hong Kong in 1996. That was a time of uncertainty, just before the handover. But he fell in love with Hong Kong and its people at first sight, and has been working with the Department of Management ever since.

How do you like working on the DBA programme?

"Well, it's time consuming, and challenging. You are dealing with top people and that's a double edged sword. On the one hand you are working with highly motivated people, with a real will to learn. On the other you have to be on your mettle to deliver!"

"Most DBA students have already achieved so much in their lives and careers, but you can still feel their burning desire to learn – working with this special group of people is truly humbling and rewarding."

And that desire continues to burn brightly for many DBA students even after their graduation.

"After graduating, I thought my learning life would be at an end," said Dr Noel Leung, a 2011 DBA graduate.

“

Most DBA students have already achieved so much in their lives and careers, but you can still feel their burning desire to learn.

”



Professor Ozer in conversation with DBA learning partner Dr Charles Lee

“But then I realized that I might have some research potential. I modified my DBA thesis to produce some research papers, and one of them “Corporate governance and firm value: Evidence from Chinese state-controlled listed firms” was eventually published.”

“Now it looks like my learning life is ongoing.”

The DBA programme has proved to be a springboard to a new future for many of its students, and under the inspiring leadership of Professor Ozer, is set to continue to deliver outstanding learning experiences to future generations of students.

What are our DBA students studying?

The DBA programme attracts a diverse group of students who work on projects in areas such as manufacturing, IT and telecoms, banking and

financial services, education, consultancy, retail, logistics, and government as well as the non-profit sector.

DBA students study important issues on a variety of topics ranging from such basic necessities as rice supply to complex financial matters such as private equities and the globalization of Chinese RMB; from local issues like the competitiveness of Hong Kong manufacturers to global matters like doing business in Africa; from high-tech issues such as internet security to more mainstream business questions such as employee retention, and from large and multinational firms to street vendors and Small and Medium-Sized Enterprises (SMEs). ■

Here are just a few examples of recent DBA research projects:

STAYING AHEAD OF THE WAVE

Travel around the world's maritime cities — London, Antwerp, Kobe — and you witness historically important ports where the bulk of trade has now moved elsewhere. Ten years ago Hong Kong was the world's busiest container port. Now Shanghai and Singapore lead the way. To stay competitive, an understanding of the dynamics of port development is vital. **Dr Kenneth Wong, DBA'14** takes a critical look at the widely accepted three-generation model of container port development presented by the United Nations Conference on Trade and Development. Based on a study of Hongkong International Terminals, he finds the existing model needs updating. Hong Kong's port development is a harbinger of a fourth generation. Armed with such a revision of theoretical analysis, Hong Kong may proactively plan for its future evolution, helping the port stay competitive and ahead of the wave.



The gateway to Hong Kong's container port
Photo courtesy of Hongkong International Terminals Limited

GOLD AND GLOBALIZATION OF THE RMB

Since the 'Nixon Shock' of the early 1970s, gold has no longer backed the US Dollar, or indeed any of the leading fully convertible world currencies. The precious metal however continues to play an important role in global financial markets, holding some of the attributes of both currency and commodity. Gradual moves towards the internationalization of the RMB are bringing renewed focus to the role of gold in currency issues. The Hong Kong gold market holds a key position in the international market, and the Chinese Gold & Silver Exchange Society (CGSES), plays a leading role in that market. **Dr Haywood Cheung, DBA'14** studies the factors that impact on the complex gold price mechanism. The CGSES started trading in RMB Kilobar Gold, the world's first offshore RMB denominated gold product, in October 2011. In the context of accelerated internationalization of the RMB, he analyzes the status of the RMB's internationalization and compares it with the internationalization of the Japanese Yen in offshore markets. He also analyzes interactions between the RMB internationalization, Hong Kong RMB offshore market and RMB Gold transactions.



Photo courtesy of <http://hdwallclub.com>



Ms Chiravongvit Vachiraporn enjoys some of the creative arts of Thailand

THE PATH TO SME SUCCESS IN THAILAND

If you travel around Bangkok, one thing you will notice is the large number of street level businesses. **Ms Chiravongvit Vachiraporn, DBA Cohort 2011** wants to identify factors that make Thailand's Small and Medium Enterprises (SMEs) successful, so as to help these businesses get established on a firm footing. SMEs are vital to Thailand's economy both in terms of employment and manufacturing, representing over 90% of the employment in some sectors. Her preliminary findings based on in-depth interviews with several small enterprises indicate that small business owners place great emphasis on the expansion of networks in the attempt to become well established companies, but that they often experience difficulty in accessing market channels and appropriate marketing techniques. The preliminary findings also indicate that most small business owners lack management expertise in business operations and do not engage in market research. For creatively oriented SMEs, lack of knowledge around intellectual property rights appears to be a major obstacle.

CHINA: DOING BUSINESS IN AFRICA

Last year, China-Africa trade reached US\$210 billion, with more than 2,500 Chinese companies doing business on the continent, according to Xinhua, the China news agency. However, Chinese firms face numerous cultural, political, structural, and labour challenges in Africa. Many Chinese firms wish to maximize opportunities in an era where China is keen to further expand its Africa business. But current literature on Africa Business offers scant help to Chinese companies entering Africa. In order to fill this research need, **Ms Dawn Chen, DBA Cohort 2013** has embarked on a study about how to do business in Nigeria whereas **Mr Frank Leung, DBA Cohort 2014** plans to offer suggestions to Chinese firms that are willing to explore opportunities in Ethiopia.



Production lines in Nigeria

Photo source: Paolo Woods/ INSTITUTE

RESCUING INDONESIAN BANKS

The financial crisis which started in 2008 saw the failure of many large and prestigious financial institutions around the world, and forced a re-evaluation of the role that banks play in society. Among factors affecting the success or failure of banks, two stand out: financial conditions, such as liquidity, profitability and availability of capital, and management. **Mr Ridha Wirakusumah, DBA Cohort 2008** focused on the management and operational actions taken by a group of investors, private equity and quasi private equity firms, in four key systemic Indonesia banks in the wake of the 2008 crisis. He found that carefully formulated managerial actions are necessary to turn ailing banks around.

CAMBRIDGE: A CAUTIOUS EMBRACE

By Eric Collins

Dr Helen Bao is University Lecturer in real estate finance in the Department of Land Economy, University of Cambridge. Helen completed her PhD in the Department of Management Sciences, City University of Hong Kong. Prior to coming to Cambridge, she worked on the Centa–City Property Index project gaining extensive experience in residential property valuation and index number construction. Helen’s research interests include hedonic price modelling, property price index construction, applications of behavioural sciences in real estate economics, and the land market and housing policy in the Greater China Region.

The peals of laughter echoing down from High Table announce that we are in an all-ladies college. In this age of gender equality, Newnham College is part of an historical breed, one of only three surviving women’s colleges at Cambridge University. Walking into the dining hall for lunch, Helen Bao is greeted by her colleagues and we are invited to join them at the top table. However if we were to do so, due to an archaic College rule, we would be bound to make conversation with other fellows, and not permitted to talk to one another. So we politely decline the invitation and sit at a slightly less elevated table.

Helen has come a long way from her home town of Chi Feng in Inner Mongolia, China. Sitting under the portraits of Newnham College’s 19th century founders she takes stock of her life in England.

“When I first came to Cambridge I said to myself: this sounds like such a big deal, let’s find out what it’s all about.”

Eight years on, how does she feel?

“Well it’s still a big deal. I am still learning. There’s always something happening here which is completely different to what’s going on elsewhere.”

The flower of Victorian womanhood

Outside the rain is gently falling on the most beautiful of Cambridge college gardens, almost completely enclosed from the outside world by one of the longest connected buildings in Europe. The architectural style, Queen Anne,

itself evokes a former age. The flower of England’s Victorian womanhood would have studied here in safety and relative isolation should they have so wished. And the second longest corridor in Europe was so designed to ensure that, to this day, faculty and students can walk from one end of the College to the other without getting wet!

How did Helen arrive in such a rarefied place? She came to Cambridge on the back of a very Hong Kong study – a classic ‘hedonic’ quantitative study, researching the finely calibrated metrics of the Hong Kong property market. She arrived in the month of May – the wrong month she says, because it is the most beautiful, whilst unbeknownst to her January would prove to be correspondingly miserable. But it was too late by then. She was in thrall to the mellow brilliance of this historic university town, set deep in England’s low-lying fen land.

Beauty in the colleges

The beauty of the Cambridge system, Helen says, lies in the colleges, ancient institutions which survive into the 21st century, carrying a plethora of sometimes quirky traditions with them. And she sees the collegiate system as one of the university’s great strengths.

“Every single student is treated with great care. The typical size of a tutorial group for undergraduates is two or three, so individual needs can be catered for. But of course students are expected to make a contribution to the conversation. The downside is that if students don’t want to work hard there is no place to hide.”

Newnham is a relatively small and cosy college. It is a place where you meet people from all academic fields, and Helen finds this constantly stimulating.

“There’s an element of altruism in the approach to research here: people do research because they love their topic, they want to make sense of things, and they want to pass that knowledge on to the next generation.”

Putting people back in the frame

As for her own research, the focus has shifted since Hong Kong days and Helen has moved beyond the very technical area of hedonic analysis of the property market. She found that there were significant constraints in the hedonic price analysis methodology, being dependent on data sets. So after the onset of the 2008 financial crisis, some Cambridge colleagues started to look at what people actually think and do in financial markets, especially when they crash.

Standard theory assumes that people are all rational, that they receive and process information efficiently; that they are not affected by things such as altruism, ego or selfishness. But the behavioural sciences recognize that we are not perfect; sometimes we need to take shortcuts, sometimes make quick decisions, and we are therefore not always performing in an optimal way. Helen finds that in behavioural analysis you are more the architect of your research, you can design the experiment and that has brought a greater level of satisfaction. She is currently working on Prospect Theory to model the rural land reallocation reform system in China.

The garden beckons

Above all, Helen sees Cambridge as a place where you can lead a balanced life. The City Council helps maintain the cultural and architectural heritage, and makes sure the city is liveable for people. For example pedestrians and cyclists take priority over cars on many roads! If you want to get busy the city is there. But if you simply want to have a cup of tea in the quiet, the garden beckons. Helen has both a garden and an allotment, and enjoyed a good harvest of organically grown beans and chard this year.

With a nod to her previous research area, she notes that property presents a fantastic investment return, but there is a downside for her: lots of Cambridge property is rented, and that means gardens are sometimes not properly maintained. In fact weeds are growing next door

to her house and as every gardener knows, that can threaten the wellbeing of tomatoes and cucumbers in your own kitchen garden.

A cautious embrace

Back at the university, Cambridge is cautiously embracing the opportunity to team up with universities on the Pacific Rim. As Director of International Relations at the Department of Land Economy Helen coordinates exchange activities, matching up visiting scholars from China with Cambridge academics to make sure that their time here is productive. She also organizes trips to China every year, for both faculty and students, so that students can leverage their supervisors’ links and establish their own networks.

And what of Hong Kong? Helen fondly remembers her time at CityU and her tutor, former Dean of the Faculty of Business (College of Business), Professor LK Chan. And Hong Kong remains very much in her heart — she looks forward to keeping her connection with the College of Business alive. ■



HOW CHINA COMPANIES BUILD PRODUCTIVE INTERNATIONAL PARTNERSHIPS



China companies aiming to do business in foreign markets face two main challenges: evaluating institutional environments, and building trust in partnerships. The managerial dilemma is how to gain social acceptance, or legitimacy, and promote efficiency.

Based on a sample of Chinese manufacturers who export products through foreign distributors, findings published in the May 2012 issue of the *Journal of Marketing*, suggest that companies can use two governance strategies, contract customization and relational governance, to build local acceptance and enhance performance.

“International channel managers should maintain an integrated management of legitimacy and efficiency in foreign marketing channels,” say study authors **Zhilin Yang** and **Chenting Su** both at the City University of Hong Kong, and **Kim-Shyan Fam** at the Victoria University of Wellington.

“Companies will benefit if they choose to build legal and relational bonds with their host partners.”

China managers should pay close attention to the two governance strategies, particularly their legitimacy-building function. If managers proactively solicit a customized contract with the host partner, they will often gain social acceptance in the process. The contracting process builds understanding, learning, and helps make sense of the institutional environment. On the other hand, relational governance helps firms build legitimacy with local partners through information sharing, working with flexibility, and joint problem-solving. This helps China companies become insiders thereby gaining both legitimacy and accurate market information, and often leading to enhanced company performance.

Read more:



Yang, Zhilin, Chenting Su, and Kim-Shyan Fam. “Dealing with Institutional Distances in International Marketing Channels: Governance Strategies That Engender Legitimacy and Efficiency.” *Journal of Marketing* 76.3 (2012): 41-55. Print.

SEC ROLE PREVENTS IPO HYPING IN US

Amidst recent talk of financial regulatory frameworks lacking impact, early results from a research project headed by **Dr Bing Li**, Assistant Professor in the Department of Accountancy are suggesting that regulation can make a difference. Dr Li is the Principal Investigator for *The Oversight Role of Regulators*, a project which has attracted an Early Career Scheme (ECS) grant from the Research Grants Council (RGC) in Hong Kong. Dr Li is investigating how regulators’ oversight affects a company’s information environment. The oversight role of the United States Securities and Exchange Commission (SEC) is analysed by looking at the effects of comment letters issued by the SEC in the IPO process. In this setting information is often not very transparent because firms tend to lack track record, and issuers may draw an over-optimistic picture of their companies in order to maximize the funds attracted. Some preliminary tests conducted by Dr Li show that IPO issuers often revise their offering price and proceeds downward after the issuance of SEC comment letters. The SEC’s monitoring role is therefore significant in that it tends to prevent companies engaged in IPOs from hyping their stocks.

GOVERNMENT MONITORING ENCOURAGES CSR IN CHINA

Dr Cuili Qian, Associate Professor in the Department of Management has, along with Dr Christopher Marquis of the Harvard Business School, published a study in *Organization Science* which focuses on how and why firms in China strategically respond to government signals regarding appropriate corporate activity. The study integrates institutional theory with research on corporate political strategy to develop a political dependence model that explains how different types of dependency on the government lead firms to issue Corporate Social Responsibility (CSR) reports. It also looks at how the risk of governmental monitoring affects the extent to which CSR reports are symbolic or substantive. The study finds that (a) government signalling is an important mechanism of political influence, (b) different types of dependency on the government expose firms to different types of legitimacy pressure, and (c) firms face a decoupling risk which leads them to be more likely to enact substantive CSR actions in situations in which they are likely to be monitored.

Read more:



Marquis, Christopher, and Cuili Qian. "Corporate Social Responsibility Reporting in China: Symbol or Substance?" *Organization Science* 25.1 (2014): 127-148. Print.



Time
out

Free time

Books

Apps

Dr Reuben Mondejar	Hiking especially Wilson Trail, the part by Lion Rock	<i>Deng Xiao Ping</i> by Ezra Vogel	Pacer, to count daily steps
Professor Muammer Ozer	Soccer, tennis, swimming	<i>The Red Pyramid</i> by Rick Riordan	Google Maps
Dr Helen Bao	Cross stitching, gardening	<i>Thinking, Fast and Slow</i> by Daniel Kahneman	Netflix
Dr Bing Li	Cycling, swimming	論語 Confucian Analects	MyObservatory
Ms Ruby Chan	Hiking	<i>What the dog saw: and other adventures</i> by Malcolm Gladwell	InstaMag, for photo editing
Regina Ho, Year 3 BBA Global Business Systems Management	Reading, thinking, and relaxing	<i>What I Wish I Knew When I Was 20: A Crash Course on Making Your Place in the World</i> by Tina Seelig	Touch2Day, a functional calendar planner
Prajna Ho, Year 2 BBA Management Sciences	Reading, joining social events	<i>Think Like a Freak: The Authors of Freakonomics Offer to Retrain Your Brain</i> by Deckle Edge	Google Inbox

Address to Congregation by Dean Houmin Yan

President, Honoured Guests, Graduates and Colleagues:

Good morning and a very special welcome to all family members here with us today. The theme I am going to talk about today is a big one: the 21st century, and in particular I would like to pose the question as to whether we are living at a tipping point, a time when there is to be a new dawn of civilisation.

But before we move to this grand theme, I would like you to show some appreciation for the very people who are sitting in this hall today, those who have worked very hard to support you over the years and through your time at university – your dear families. Before we go any further, I would like you to give a big round of applause to say “Thank You” to all family members here today.

Driving into the eye of a storm

Two years ago I was driving from Ithaca to Boston in the United States. It was the end of October. The sky was darkening and a storm was threatening: Hurricane Sandy was about to strike New York City, and would cause widespread devastation. As I drove through increasingly strong winds and rain trying to get to Boston before the hurricane struck, I found myself tuned in to *On Point* with Tom Ashbrook on NPR (that’s National Public Radio) on the car radio. The programme was describing the life and ideas of the great American cultural historian **Jacques Barzun** who had passed away the previous day.



I listened with interest, having read one of his books recently. Barzun, a professor at Columbia University, arrived in America from France in 1919. In the light of the decimation of the French university system during World War I, and his father’s wish for him to have a broad liberal education, the young Barzun immigrated to the US. Like many others, he settled in his first port of call, New York City. He was academically successful, developed wide ranging interests in cultural history, and eventually graduated with a PhD from Columbia University.

From the beginning the young Barzun thought big. This was, after all, the era when cars were taking the place of horses on the streets, when planes first flew the Atlantic, when the first great skyscrapers were built, and when New York was becoming the world’s first megacity. America was establishing its preeminent position in the world.

From Dawn to Decadence

Jacques Barzun believed that academics should write not just for their fellow academics but also for the educated public. He enjoyed a long academic career writing books on a range of subjects: on Darwin and Marx, on Music in American Life; on the great 19th century American President, Abraham Lincoln; on science, and, at the age of 93, his majestic description of the grand sweep of modern history, *From Dawn to Decadence: 500 Years of Western Cultural Life*.

Dawn to Decadence was to be his swansong. Writing at the beginning of the 21st century, Barzun saw the West in decline, especially in the arts, in education, and in culture. For him the only truly modern decade had been the 1920s. The West was now coming to a stopping point before some radically different ideas came along. Crucially, he no longer saw the West as necessarily central. Globalism was to be the 21st century reality.

The Rule by Virtue Century

I would like to extend today's discussion by looking to the vision of another academic, this time in China, who started writing at a very young age, **Dr Chao-shiuan Liu**. Dr Liu started writing in his teens, but his early work was not particularly academic. At the age of 17 he started publishing fiction – stories about the martial arts, such as Kung-fu. Moving on to more serious themes, and after graduating in chemistry, he became an acclaimed academic, and went on to hold the post of President at National Tsing Hua University, and then Premier of the Executive Yuan of Taiwan.

Earlier this year, as part of the City University Distinguished Lecture Series, Dr Liu gave a lecture entitled *The Rule by Virtue Century – The Missing Element for Sustainable Development*. In his lecture Dr Liu identified the ancient Chinese philosophical concept of Wang Dao as the missing element for "Sustainable Development". The three pillars of sustainability are traditionally seen as economic development, environmental protection and social equitability. But Dr Liu adds a fourth: culture. This is the foundation for the other three, not an optional extra. And he suggests that the essence of that culture can be the ancient Chinese philosophical concept of Wang Dao, the Rule of Virtue.

Centuries of achievement

The historian **Arnold Toynbee** proposed that the 19th century was that of the United Kingdom, the 20th century that of the US, and that the 21st century could be that of China. But, for Toynbee, those earlier centuries were not only about empire. They were also centuries of achievement. He pointed out the United Kingdom's great contributions to the industrial revolution, to democracy, health care, the Poor Law, the Education Act, and so on. In the 20th century, the

US continued the drive forward to a modern society with innovations in mass production, architecture, new forms of transport, intellectual property rights, and so forth. As Barzun argued, the "peoples of the West" had "offered the world a set of ideas and institutions not found earlier or elsewhere."

Dr Liu went on to talk about the built-in balance to US capitalism. He mentioned the 1890 Sherman Act, an early antitrust law aimed at regulating monopoly capital and introduced to protect the ordinary citizen against the monopolies of the day such as Standard Oil. Today, the near monopoly power of communications companies, and the cycle of the boom and bust economy perhaps calls into question whether regulation of economic systems is strong enough in the West.

The mantle of leadership

So, is capitalist democracy still a model to follow? Dr Liu's point was that to live up to the billing of the 21st century as China's century, China needs to be a great power not just in terms of economy, but in terms of culture. If we don't have a clear answer to this cultural question, China will not assume the mantle of leadership.

To be sure, the updating of the concept of Wang Dao needs to embrace business and economic systems, science and technologies, great nations, and how they can proceed in the most balanced way. But this balance emanates from an individual human quality. I am talking about the way we approach the unknown: new people, new workplaces, and new cultures. Above all, I believe we need a sense of toleration and continuous learning and innovation in today's global village.

Approaching the unknown

In his book, Barzun approvingly quoted Francis Bacon's assessment of the limitations of tradition, and his promotion of the empirical method: "The notion that something is true because a wise man said it, is a bad principle. Is the thing true in fact, tested by observation? The new tool consists in applying this test. Observe closely, record findings exactly, and frame generalities that cover the facts, without colouring from myth, poetry, and other preconceived idea."

So, the thought I would like to leave you with today is: let us approach the unknown with a sense of both inquisitiveness and respect. As you embark on your journey through life, there will be stormy years ahead. But my aspiration is that you always bring with you a fundamental interest in, and respect for, the cultures of others. In that sense you will bring a sense of tolerance to your lives, and also something of the ancient tradition of *Wang Dao* to our global interactions in the 21st century.

We are saying farewell today, but I sincerely hope that you will stay in contact with us, choose to contribute to our alumni activities through the organisations available at College and University levels, and I look forward to welcoming you back here at the College of Business in the future!

Thank you and, once again, my heartiest congratulations to all our graduates. May you achieve fulfilment and happiness in your life!

November 2014

Alibaba Global Dreaming project If not us, who? If not now, when?



College of Business students were encouraged to think BIG during their Global Dreamers internship programme last summer. Organized by the Unleash Foundation, and supported and sponsored by Alibaba Group, the world's leading e-commerce company and Zhejiang University, the programme was held from June through August.

"This has inspired me to reinvent myself, to be more self-reliant and proactive," said **Elton Lau** one of six CB participants.

The students got an insight into what drives innovation in a new generation China company like Alibaba:

- Alibaba Management are open-minded and believed in freedom of expression
- Leisure outlets such as bicycle lanes and playgrounds help inspire creativity
- Expression of opinions on products and market development is actively encouraged
- Communication between staff is supported — *Aliway* intranet for staff to post updates

The CB students experienced many different facets of the company's operation during their internship. Elton continued:

"We had exposure to the Cloud Computing and Big Data departments and its partner logistics company, Cainiao Network, all of which are considered to be the 'secret weapons' of Alibaba. We drafted proposals for the Taobao Customer Service Centre and *AliExpress* and took part in the running of *Orange Sky*, a TV business unit run by a department in charge of promoting Alibaba culture — I even made a guest appearance in a promotion video."



Prajna Ho at Alibaba Group's corporate campus in Hangzhou, China

Competition for the eye-opening experience was hot, with 240 shortlisted candidates. The candidates went through two rounds of interviews and tests conducted by Unleash Foundation and Alibaba Group. On completing the programme, each student submitted a report summarizing their learning experiences and outcomes.

CB participant, **Prajna Ho**, sums up the AliSpirit:

"At work, we shall always be passionate. In life, we shall never give in. To our dreams, we shall never give up. Global dreamers, work hard to achieve our dreams!
If not us, who?
If not now, when?"

For more on internship:



Centre for Social Media Marketing and Business Intelligence

The College is assuming a leadership role in research around China social media marketing through the Centre for Social Media Marketing and Business Intelligence (CSMR). The Centre was established in 2012 to enhance CB's research strength in social media marketing, e-commerce, and business intelligence. It is under the Directorships of **Professor Choon-ling Sia**, Professor in the Department of Information Systems, **Professor Kelvin Yau**, Associate Dean of the College of Business, **Professor Yer-van Hui**, Associate Dean of Chow Yei Ching School of Graduate Studies, and **Dr Jeff Wang** of the Department of Marketing.

"We are looking to promote interdisciplinary research which has both industrial and societal impact," says Professor Sia.

CSMR provides a supporting platform for conducting high impact interdisciplinary research work with a focus on social media and business intelligence. The Centre funds members of the College of Business, and their collaborators, in projects with a clear industry focus, up to a total of HK\$1 million per annum. Members have worked closely with companies such as Alibaba/Taobao University, HSBC, Cigna Worldwide Life Insurance Co. Ltd., Ppdai.com, Jiangsu Deesha Princess Cultural and Creative Industry Co. Ltd., and ZhengHeDaYuan Internet Technology Co. Ltd. (Doumijie.com).

Early fruits of this collaboration are research articles and studies and a CSMR funded project, *Co-opetition between B2C and C2C e-Commerce*



Dr Geoffrey Tso Kwok-fai and Dr Ron Kwok Chi-wai on a visit to Taobao University

models: The case of Tmall and Taobao, with research paper titled *An Empirical Study of Alibaba Retailers' Promotional Strategies on Double 11 Day*, with Principle Investigator **Dr Hailiang Chen** (IS), along with **Dr Alex Wang Chong** (IS), and **Dr Michelle Zeng Xiaohua** (Marketing).

The same team took part in the AliResearch Innovation Competition, in which they won the 1st Runner-Up Award. In addition, they have had a paper accepted at the 2013 Chinese Conference of Complex Networks.

Another team of CB researchers have produced *Taobao: Platform-Based Online Services Repertoire, Reputation, and Performance of E-Marketplace Sellers* (Principle Investigator: **Dr Yulin Fang**).

A paper was also published in the proceedings of a regional Information Systems conference: Pacific Asia Conference on Information Systems.

For more on CSMR:



College launches Career Service for undergraduates

"A customized dialogue with each student," that is the aspiration of **Ruby Chan**, Senior Manager of the Career Service for Undergraduates at the College of Business.

"Typically, we'll sit down one-to-one or in small groups and really get to know students' own goals and aspirations," says Ruby.

"We'll talk around issues like how to explore careers, or build competitiveness, and we also partner with employers to recruit talents, set up career talks and other recruitment activities."

Ruby and her colleague **Catherine Ng** work in a variety of areas such as career advising, job and internship opportunities, recruitment talks, skills training workshops, industry seminars/talks, and arranging company visits.

The start point is helping students identify their strengths, then bridging current experience to future career. Every student is dealt with as an individual – and Ruby is finding that students are coming back for more.

"We are getting students coming back a second or third time, so we are building dialogues. Seeing students progress is a really satisfying part of the job."

Ruby and Catherine also help students build up soft skills such as developing a professional brand.

And for the future, she hopes to be able to meet with more alumni and tap into the resources that they offer.

To meet with the Careers Advisory Team:
 Ruby Chan
 Phone: +852 3442 5902
 Email: rubychan@cityu.edu.hk



Ruby with BBA student Kenny Mang Shing-yau

AACSB reaccreditation success

Following the AACSB (The Association to Advance Collegiate Schools of Business) Peer Review Team visit in November 2014, the College of Business has been awarded AACSB accreditation for the next five years. Dean Houmin Yan sends "a big thank you" to all faculty, students, and staff who participated in the various meetings with the AACSB team, and to all colleagues who have otherwise contributed to CB's reaccreditation process. We also appreciate the contribution made by

our Departmental Advisory Committee chairs and members and our alumni.

Special thanks go to the Peer Review Team comprising Professor Hasan Pirkul of The University of Texas at Dallas, Professor Shu-Hsing Li, National Taiwan University and Professor Geoff Perry of Auckland University of Technology for their expert advice.

The AACSB exercise provides the College with a good opportunity

to benchmark with international standards. AACSB membership helps enhance our academic reputation as a top business school providing the best in management education and research. It also increases our global footprint through student exchange agreements, programme collaborations and other academic exchange activities with prestigious AACSB accredited institutions around the world.

CB exchange students join volunteering services

The College of Business Exchange Student Club (ESC) has organized a series of volunteer services for inbound exchange students last autumn. The initiative was supported by the CityU 30th Anniversary Student Programmes – Community Services and Engagement Project (CSEP), under the auspices of the Office of Vice-President (Student Affairs).

Over 45 inbound students and ESC members visited the Home of Loving Faithfulness, a Christian faith ministry which provides life-long care for mentally and physically challenged children and adults in Sheung Shui. The students also visited the Hong Kong Sheng Kung Hui Li Ka Shing Care & Attention Home for the Elderly in Sham Shui Po.

Overseas exchange students were taught simple Cantonese sentences. They sang with local students, performed magic treats and dramas, made handcrafts, and chatted with the

elderly and children. They also gave mementoes to the senior citizens to mark the occasion.

The students succeeded in transcending any language barriers, and created a warm and convivial atmosphere. Exchange students also gained a valuable insight into the culture and social situation in Hong Kong.

ESC member **Sydnee Cheung**, BBA in Marketing, remarked:

“Though I have had a lot of experience volunteering, this was my first time to participate in such a large project and have the opportunity to plan and organize from the beginning to the end. It was a very fruitful and meaningful experience as I learnt how to liaise and work with different parties, such as other members, students and different centres. With this experience, I believe I can contribute more to the community in the future.”



Rachel Luc (Right) with her fellow volunteers

In addition to the CSEP, 17 inbound students and ESC members also joined the Food Rescue Programme offered by Food Angel. The programme aims to raise food waste awareness in Hong Kong. Volunteers helped prepare vegetables and meal boxes for the needy.

Exchange student **Rachel Luc** from San Jose State University, California said, “After my time at the food rescue centre, I felt great that I was able to make a difference in just the few hours I was there. I am amazed at the work and effort that the Food Angels put in everyday to change the lives of hundreds of people.”

For more information on the CSEP:



China Business and Economic Development Research Centre

The College has announced the establishment of a new college research centre, the China Business and Economic Development Research Centre (CBRC) grounded in a strategic alliance with Guangzhou Pharmaceutical Holdings Limited (GPHL) and HNA Capital.

"I am delighted that the agreement with GPHL and Hainan Capital has borne such early and promising fruit," said **Dean Houmin Yan**. "The Centre will enable the College to leverage regional synergies and promote high impact research in the Pearl River Delta and beyond."

Professor Haibin Yang of the Department of Marketing and Department of Management has been appointed Director of the Centre for three years until June 2017.

"The Centre draws on the research expertise of all six member departments in the College of Business, and ensures a fruitful and promising development and outputs in various state-of-the-art studies on China research."

CBRC aims to conduct and promote research in regional economic development, financial policy studies, and business model innovations. It will provide a supporting platform for conducting and collaborating high-impact interdisciplinary research on China-related business and economic development in the College. The Centre also aims to organize executive education and training programmes for its strategic collaboration partners.

Teaching and learning initiatives will include strengthening the current taught postgraduate curriculum, postgraduate and research student projects, as well as expanding internship opportunities.

The Centre is underpinned by a wider strategic alliance with GPHL and CityU formalised in a framework agreement signed in December 2013. The alliance aims to pursue collaboration in areas including business, economic and financial policy research, new drugs and diagnostic and therapeutic technologies development, and the training of healthcare management professionals.

The Centre also works with various academic institutions in the mainland. For example, the Centre has been collaborating with Tsinghua University, Harbin Institute of Technology, and CityU Shenzhen Research Institute on a research project that examines the activities of collaborative cybercriminal activities and their impact on e-Business, and also a project on *Big Data Analytics for Business Performance Prediction*.

Another partnership is with Renmin University for a research project that examines the relationship between internet search engine querying data and local unemployment rate, and the relationship between search engine data and other types of financial indicators.

Finally, a team led by Professor Houmin Yan and **Professor Frank Chen**, together with four other teams from the mainland China, has successfully secured a National Natural Science Foundation of China (NSFC) major project on China logistics, with a funding of RMB 2.8million. The CBRC team will partner with mainland institutions to develop a systemic theory for China logistics development.



CBRC Director Professor Haibin Yang

For more on CBRC:



Graduate students enjoy summer programmes at Haas School of Business

The College of Business held its annual Advanced Management Programme at Haas School of Business, University of California Berkeley (UC Berkeley) in August. The theme of the programme was *Innovation and Management*.

Dr John Leung, Director of the Executive Master of Business Administration programme, joined 46 students from CB's postgraduate programmes including the DBA, EMBA and MBA.

The programme provided on-campus classes on various topics about global marketing and management operation, with lectures delivered by professors of Haas School of Business. Programme highlights included corporate visits to leading international companies, such as Intel and Google.

Students of the MBA programme have also completed a Residential Summer Programme (RSP) at Haas. The programme's theme was *Entrepreneurship & Business Plan Development* and ran from late July through early August.

"This was our first Residential-trip with UC Berkeley and the response was overwhelmingly positive," said **Professor Kevin Chiang**, Director of the MBA Programme.

"Our students really appreciated the opportunity to visit companies in Silicon Valley which is a top destination for entrepreneurship and innovation," he added.



Dr John Leung with EMBA students at Intel Headquarters, Santa Clara, California

The programme was also a big hit with students.

"A very big thank you to CityU-UC Berkeley Residential Summer Programme, it offered me an indispensable training!" said student **Deanie Chiu**.

"We got to walk in the shoes of start-up entrepreneurs and solve potential problems – it was exhilarating!" The 26 students attended classes taught by leading faculty of the Center for Executive Education at the Haas School. They also visited Silicon Valley venture capital firms and other well-known enterprises in San Francisco such as New Avenue Homes, Autodesk, QB3 and Google Inc. The trip concluded with students developing a comprehensive business plan for a real-world business venture.

"The diverse topics covered by the programme added heaps of knowledge that I will use to bring change in my future workplace. I wish this programme had lasted for another week!" added fellow student **Saurabh Bhargava**.

The annual collaborative programme offers a privileged opportunity for students to widen their global learning experience, to learn from industry experts, and to construct effective discussions with overseas counterparts. MBA students may choose to attend this programme as an elective course – FB6701 MBA Enterprise Diagnostic Residential Trip.

For more on CityU-UC Berkeley:



CB hosts International Deans' Conference



Dean Houmin Yan and Ms Nadine Burquel, Director of the Business School Services, EFMD Belgianman

The International Deans' Programme (IDP) has been in town, and was hosted by the College of Business for a one day seminar in late September. This roving programme brings deans together from different parts of the world to enable the sharing of views on current issues. "It's always a pleasure to meet with colleagues from around the world," said **Dean Houmin Yan**.

"We lead business schools with sometimes strikingly different cultures, and comparing notes is stimulating." This year participating schools came from Australia, Ghana, Ireland, Lithuania, Portugal, South Africa, and the United Kingdom.

Professor Yan, gave an introduction to the CB culture and its various programmes and shared his view on the "Challenges of being a dean."

"One of my ground rules is communicating with colleagues and building understanding before making key decisions," he said.

Professor Kelvin Yau, Associate Dean of the College, then delivered a presentation on Encouraging Collaborative Interdisciplinary Research in Business Schools followed by a Q&A section. The seminar concluded with group discussions to provide feedback for the next IDP modules in the United Kingdom and Denmark this year.

About the International Deans' Programme

The 7th edition of IDP was co-organized by the European Foundation for Management Development (EFMD) and the Association of Business Schools (ABS) providing networking opportunities for deans and directors

to collaborate internationally. Members of ABS or EFMD who have been recently appointed dean or director of a business school are invited to join this programme. The IDP enables a group of up to 20 international deans to visit business schools in three countries. It aims to offer participants a unique overview of strategies, operations, structures, and future markets in the business and management aspects of the education sector.

For more on IDP 2014:





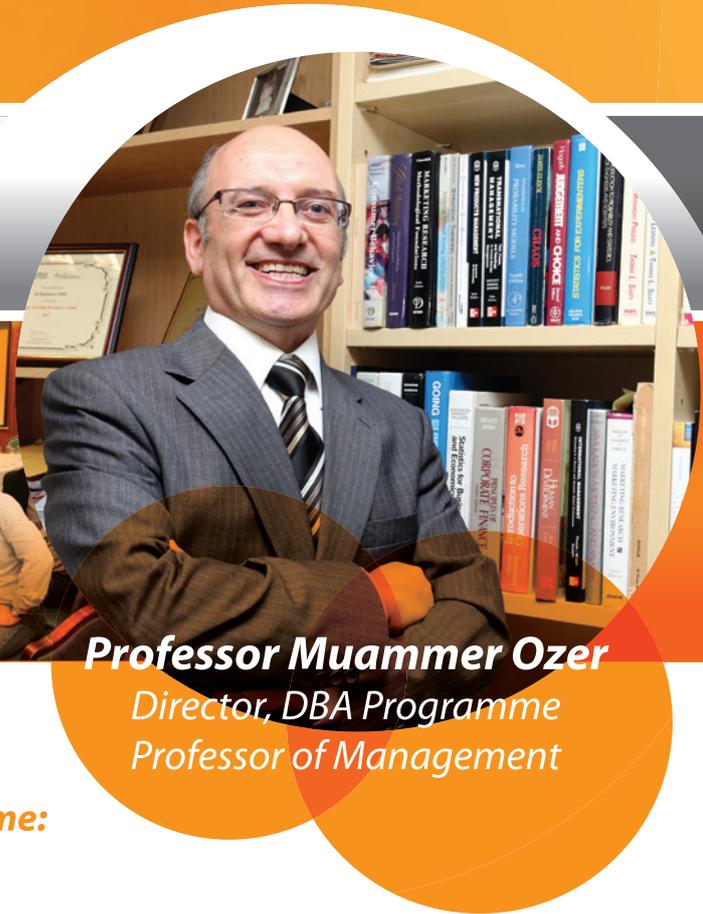
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An Executive Doctorate Programme Offered by One of the Best Business Schools in Asia (No. 2) and in the World (No. 46)

(UTD Rankings 2013/2014)



Professor Muammer Ozer
Director, DBA Programme
Professor of Management

Here are just a few highlights of our programme:

- 🌀 *Rigorous but Practical,*
- 🌀 *Reflective but Progressive,*
- 🌀 *Distinctive but Collective, and*
- 🌀 *Takes a Few Years to Complete but Has Lifelong Personal and Societal Impacts*



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Share your news with classmates and CB alumni! Fill us in on the highlights of your year – family, career, accomplishments, and interests. We will publish your updates in the “Class Notes” section of CITY BUSINESS Magazine and on the CB Alumni website.

Simply submit your information (name, major, grad year) and your news to us on:



Don't forget – you can attach photos to include with your write-up.

1990s

Hing-keung Leung, BBA Quantitative Analysis for Business'92, is working as the Dean of Academic Affairs at the Research Institute for Christian Education, Hong Kong.



Jose Chan, MA Information System Management'99, presented at the Beijing IT Exhibition in May 2014 as the IT Director of Apex Web Design (HK) Ltd. Jose is happily married and has two children.

Alice Young Mei-ling, BBA Business Economics'99, has travelled to over 50 cities in 20 countries over the past few years.



2000s

Perry Ma, BBA Information Systems '01, moved to Sydney six years ago. His work involves exporting meat to Asian countries, and he loves working in Australia.

Victor Lam, BBA Human Resources Management'06, started working at Jardine OneSolution in Feb 2014 as Assistant Marketing Communications Manager. He is actively involved in the Junior Chamber International Hong Kong and was elected as the National Vice President in Sep 2014.



Sandi Yu, BBA Finance'07, is working in Singapore at the Hongkong and Shanghai Banking Corporation (HSBC), and has recently returned from a spiritual Tibet trip.

Kit Yu, MBA'08, completed his 12-year IT career at the Hospital Authority in Sept 2013 and is studying a three-year Master of Divinity programme at the China Graduate School of Theology in Hong Kong. Kit hopes to work in a church after programme completion.

2010s

Kitty Chan, MA Quantitative Analysis for Business'10, gave birth to her first child, Ivan, shortly after graduation. Kitty is working as a full time statistician in the Hong Kong government, and taking care of her child after work.



Rico Chong, BBA

Accountancy'10, has, along with his team, recently closed a joint venture agreement with a major power equipment manufacturer, marking a further milestone in his career.



Jennifer Keung, BBA Accountancy and Management Information Systems'10, is working in the auditing field.

Louis Kwok, BBA Business Economics'99 and MA Global Business Management'10, is a former corporate trainer and now a lecturer in education. Louis is delighted that he can apply what he has learnt at CityU in practice. He is thankful to have served on the CityU Convocation Committee which has given him the chance to collaborate with alumni volunteers and learn more about university education.



Tommy Chung, BBA China Business'11, furthered his studies at the Chinese University of Hong Kong and graduated with an MBA degree in 2014. He is working as a relationship manager at investment bank, Bank of China International.

Qi Pan, MSc Business Information Systems 12, has been hired by Myanmar Fibre Optic Communication Network, an affiliate of a Singaporean Telecommunication, and has relocated to Myanmar. He is working as the deputy manager of the public relations department, and is responsible for publicity and media in Myanmar.

Michael Su, BBA China Business'13, is preparing for the Standard Chartered Marathon 2015 and is looking forward to a good result.



Catherine Liang, MSc Electronic Business and Knowledge Management'13, is working hard and has been meeting new friends in Hong Kong over the past year. She believes that her hard-working attitude will one day lead to a dream come true!

Joshua Wang Zhe, MSc

Organizational and Change Management'13, is working as faculty instructor at a university in charge of designing business course curriculum.



Jeremy Yu, BBA China Business'13, is organising a basketball team with his colleagues and aims to compete in public tournaments in the future. He thinks that it is great to bond and have fun with colleagues after work. Jeremy is mastering his work-life balance.



Vincen Cheng, BBA Global Business Systems Management'14, is studying in the 27th country that he has travelled to – the United Kingdom, at the London School of Economics and Political Science.

Xin Chen, MSc Business Information Systems'14, has started her new job at Towngas working as a graduate trainee. She has already learned a lot from the management orientation, outbound training, and other leadership workshops.

Cathy Ng, BBA Finance'14, met her boyfriend on exchange in Canada and is now working in Hong Kong. She is thankful to CityU's exchange programme where she had the opportunity to meet many new people and plans to return to work in Canada in a few years' time. She says a Special Thank You to one of her finance teachers, Mr Tommy Yu Tat-keung.

Comings:

We welcome our new faculty who joined us between July and November 2014!

Professor Jeff Hong, Chair Professor, Department of Economics and Finance and Department of Management Sciences



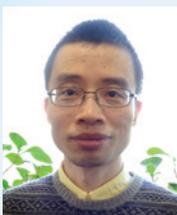
Jeff received his PhD in Industrial Engineering and Management Sciences from Northwestern University in 2004. Before joining the City University of Hong Kong, he was Professor and Director of Financial Engineering Laboratory in the Department of Industrial Engineering and Logistics Management at the Hong Kong University of Science and Technology. His research interests include management sciences, operations research, financial engineering and risk management, and financial analytics.

Dr Yupeng Lin, Assistant Professor, Department of Accountancy



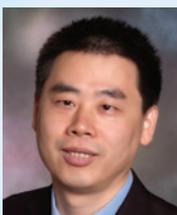
Yupeng received his PhD from the National University of Singapore. Before his doctoral study, he obtained his BA in Economics from Sun Yat-Sen University. His main research interests include banking and financial reporting.

Dr Haibin Wu, Assistant Professor, Department of Accountancy



Haibin received his PhD in Accounting from the University of Alberta. He also obtained a PhD and MA in Economics from Vanderbilt University, and his BA in Economics from Fudan University. His main research interests include financial fraud, corporate finance and credit market.

Dr Yangxin Yu, Assistant Professor, Department of Accountancy



Yangxin obtained his PhD in Accountancy from the Hong Kong University of Science & Technology. Prior to joining City University of Hong Kong, he was Lecturer at the Australian National University. Dr. Yu's research interests include financial reporting, executive compensation and corporate social responsibility.

Dr Tanida Arayavechkit, Assistant Professor, Department of Economics and Finance



Tanida received her PhD in Economics from the University of Pennsylvania. Before her doctoral study, she obtained her MPhil in Finance from the University of Cambridge, and BA in Economics from Chulalongkorn University. Her main research interests include macroeconomics, economic growth and development, international trade, and firm dynamics.

Dr Wei-ming Lee, Assistant Professor, Department of Economics and Finance



Wei-ming received his PhD in Finance from the University of Washington (Seattle), MA in Statistics from Columbia University, and BBA in Finance from National Taiwan University. His main research interests include corporate governance and corporate finance.

Dr King-king Li, Assistant Professor, Department of Economics and Finance



King-king is an Experimental Economist. His research interests include experimental economics, behavioural economics, behavioural finance, and neuroeconomics. He is interested in investigating bounded rationality and biases of economic agents, by incorporating insights from Psychology. Before joining CityU HK, he was a postdoctoral research fellow at the Max Planck Institute of Economics in Germany, and an assistant professor at SHUFE, Shanghai. He received his PhD from HKUST, and BBA in Business Economics from CityU HK.

Dr Guannan Luo, Assistant Professor, Department of Economics and Finance



Guannan received her PhD and MA in economics from Northwestern University and her BSc in mathematics from the University of Hong Kong. She works on issues in macroeconomics and labour economics. Her current projects include investigation on how credit friction affects household investments, employment, and public benefit under imperfect information.

Dr Zhong Zhang, Assistant Professor, Department of Economics and Finance



Zhong received his PhD from Kelley School of Business at Indiana University. Before his doctoral study, Zhong obtained his MA in Economics from Indiana University, and his BS in Mathematics from Zhejiang University. He specializes in financial market microstructure, investment, and derivatives.

Dr Keong-tae Kim, Assistant Professor, Department of Information Systems



Keong-tae received his PhD from the University of Maryland, an MS in Management Engineering from the Korea Advanced Institute of Science and Technology, and his BS from Seoul National University. His research interests include strategic impacts of IT-enabled platforms, and strategic management and the impact of IT resources.

Dr Alvin Leung Chung-man, Assistant Professor, Department of Information Systems



Alvin received both his PhD in Information Management and MSc in Information, Risk, and Operations Management from the University of Texas at Austin, and his BEng from the University of Hong Kong. His research interests lie at the intersection of IS and Finance. His current research primarily focuses on IT business value, business analytics and information security.

Dr Linda Wang Chang, Assistant Professor, Department of Management



Linda received her Ph.D. from Michigan State University's Eli Broad College of Business. Her current research interests include groups and teams, leadership and research methods.

Dr Yixuan Xiao, Assistant Professor, Department of Management Sciences



Yixuan received her PhD in Operations and Manufacturing Management from Washington University in St. Louis. Her main research interests include pharmaceutical supply chain, supply chain risk management, and revenue management.

Goings:

We extend all best wishes for future happiness, professional fulfilment and prosperity to faculty who left us during the same period.

Professor Kwok Leung, Chair Professor, Department of Management



Dr Narasimha Bolloju, Associate Professor, Department of Information Systems



Dr Yan Luo, Assistant Professor, Department of Accountancy



Dr Sang-Pil Han, Assistant Professor, Department of Information Systems



Retiring after 23 years of service:

Dr Jimmy Fang Zhen-min, Associate Professor, Department of Economics and Finance



Dr Fang, Associate Professor in the Department of Economics and Finance, retired last summer. Dr Fang joined CityU in 1991 and was an MBA associate director from 1998-2004, MBA (China) programme director from 2003- 2005, and the BBA Finance, and programme leader of the BBA Finance programme from 2004 until his retirement. His main research interest has been in the area of investment. In his retirement Dr Fang has already been active writing commentaries on Hong Kong public and economic affairs, and market risk from an academic perspective. We look forward to his continued contribution to academic discourse!



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