



城大商學院 CityU Business School  
College of Business  
CITY UNIVERSITY OF HONG KONG

# INNOVATION AND IMPACTFUL RESEARCH



香港城市大學  
City University of Hong Kong

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# DEAN'S Message

Prof Houmin YAN



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The College of Business at City University of Hong Kong has a rich tradition in delivering innovative research projects that impact positively on business and society. Our core research strengths are embodied by our six departments: Accountancy, Economics and Finance, Information Systems, Management, Management Sciences, and Marketing. The College has the largest concentration of active researchers in the region with an established track record in our main research foci. Alert to changing trends, our infrastructure is also highly flexible, with the ability to adapt swiftly to emerging trends. To capture these opportunities a variety of research Centers have been established in recent years. Fresh ideas are generated, tested and realized in an interdisciplinary environment.

2015 has been a remarkable year for the College of Business, especially in the significant progress we have made in international rankings. According to the UT Dallas Top 100 Business School Research Rankings, our ranking has jumped 9 places to 37th worldwide, and second in Asia. And in the latest Best Global Universities Rankings by US News, we are ranked 57th worldwide and again second in Asia in Economics and Business, based on our academic research and reputation. We are proud to be one of the world's leading business schools.

With the dedication of around 180 research faculty members of over 20 nationalities, we have put a remarkable effort into our research. Each year, a large number of research projects are produced by the College, while our faculty members have actively maintained a very close relationship with external professional associations. We have also exerted great efforts in training our PhD students, and are glad to see many of our graduates attaining successful placement.

I do hope you enjoy reading this research profile - which aims to highlight the impact that our work is having on Hong Kong, as well as the global business and society.

**College of Business**      No. of faculty\* **180**  
No. of research degree students\* **142**

Period	Amount of funding	No. of projects
January 2005 - July 2015	HK\$329.2 Million	973

\*As of Oct 2015





# CB Research Centers

## Center for Applied Knowledge and Innovation Management Research (CAKIM)

CAKIM is established with an aim to reinforce the University's competitiveness in the area of knowledge and innovation management (KIM). One of the initiatives of CAKIM is to conduct interdisciplinary applied research on KIM for the purpose of enhancing business decision-making and organizational competitiveness, particularly in the Asian context. Drawing researchers from various disciplines to study specific KIM problems that businesses and organizations are facing nowadays, CAKIM has the following key areas of research, among others:

- Knowledge-based logistics and transportation management
- Knowledge/information systems design, adoption and security
- Product innovation management and strategy
- Cognitive economics
- Impact of knowledge and innovation management
- Human, economic, marketing and policy aspects of knowledge and innovation

## Center for Transport, Trade and Financial Studies (CTFS)

Over the past thirty years or so, the larger part of Hong Kong's traditional manufacturing base has relocated out of the territory. To meet the challenge, Hong Kong has extended its historical mission as an international center of finance, trade and shipping center to embrace logistics, and emerge as an international hub of one-stop-integrated services. As part of this trend, and in response to Hong Kong's potential marginalization, CTFS was established in April 2011.

CTFS is optimally positioned to work with industry on the international forefront of science and technology advancement and higher education. We inhabit the interdisciplinary area traditionally defined by the subjects of transport, trade and financial studies. Apart from winning government research grants, CTFS has received industrial donations of HK\$5 million to support research projects on internet logistics, trade, real volatility, and vector derivative analysis.

Laboratory for Sustainable Transport, Energy and Technology was opened in 2013 to focus on R&D for a prototype system of the "Internet of Logistics Things (IoLT)". The system is composed of smart mobile device for vehicles and vessels, an IoLT platform for heterogeneous resources integration and intelligent transport ecology, energy and operations optimization. The Emissions Trading

research platform is a joint research project with the Environmental Protection Department, Huazhong University of Science and Technology and Nankai University on Transport SO2 Emission Non-Sampling Infrared Remote Monitoring.

Since 2012 CTFS has begun to establish itself internationally through its annual conference on transport, trade and service studies. This event has engaged distinguished scholars and professionals from all over the world, and demonstrated great passion and commitment in the development and improvement of international transportation, logistics, trade and finance, innovation and the technology industries.

CTFS will continue the journey towards becoming a world class research center, develop a self-sustained dynamic platform for industry leaders, scholars and students to exchange, acquire and advance their knowledge and experience of transport, trade, and finance.

## Center for Social Media Marketing and Business Intelligence (CSMR)

Social media marketing, electronic commerce and business intelligence are game changers. They have fundamentally changed the ways people communicate, consume, and co-create. They have transformed business processes, empowering exchange of knowledge, information, and expertise, as well as accelerating innovation and new product development. There is an increasing demand for research to understand how firms can harness the power of social media in marketing, idea crowdsourcing, and knowledge management.

With the timely e-commerce forum held in mid-November 2011, CB met with delegates from Taobao University (Alibaba group). Numerous fruitful exchanges and follow-up actions arise from the interaction.

To strengthen ties and further develop the research side, CB established the Center for Social Media Marketing and Business Intelligence as one of its strategic developments. Since CSMR was established, two major rounds of call-for proposals have been issued for business/industry-related research projects of strategic importance. Ten projects have been awarded research funding up to HK\$1,000,000. These projects covered the hottest issues on

how the newly emerged technology of social media and business intelligence impacted a variety of industry partners, including e-commerce, banking, and insurance companies. Inter-disciplinary collaborations among CB faculty members and firms in the Greater China region have been encouraged. CSMR is actively pursuing further research agenda in collaboration with other research centers, universities, and the business/industry.

With the agreement for collaboration on various cutting edge research studies in social media and business intelligence, as well as initiation of numerous business/industry-related research projects by members, the Center has the capability and potential to leverage the strengths of its members to conduct high quality and impactful research that makes an effective contribution to the scholarly community as well as business/industry and society.

## China Business and Economic Development Research Center (CBRC)

CBRC was established under a strategic alliance with Guangzhou Pharmaceutical Holdings Limited (GPHL) and HNA Capital in 2014. The Center aims to conduct and promote research in regional economic development, financial policy studies, and business model innovation. CBRC provides a supporting platform for conducting and collaborating high impact interdisciplinary research on China-related business and economic development in the College. It also aims to organize executive education and training programs for its strategic collaboration partners.

The Center is underpinned by a wider strategic alliance between GPHL and CityU. 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.

CBRC also works with various academic institutions in the mainland including a collaboration 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.

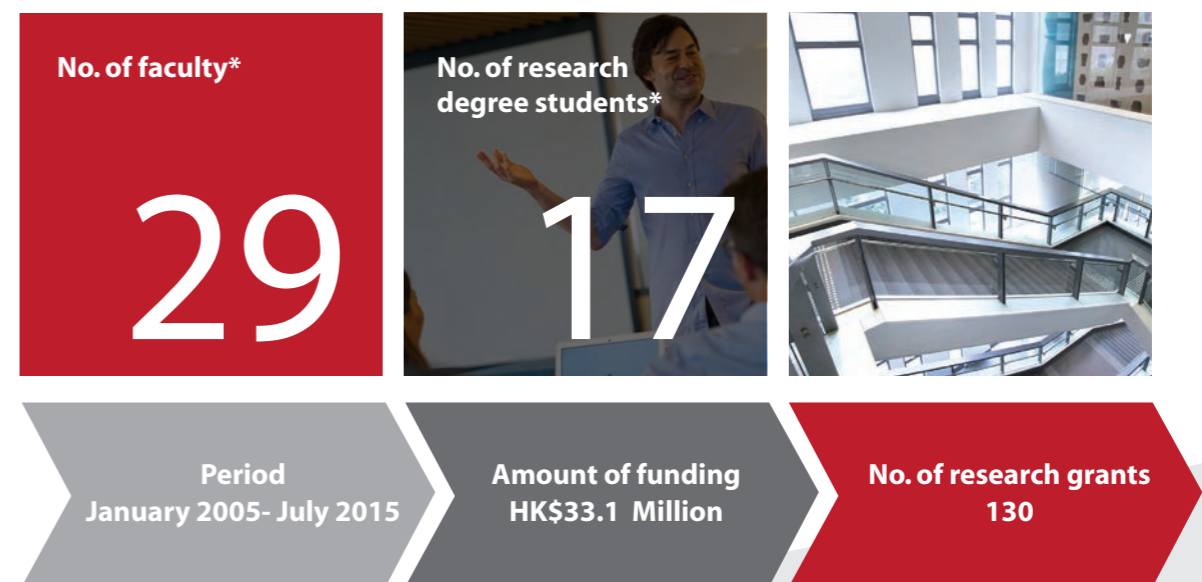


# Department of Accountancy

## MESSAGE from the HEAD

Prof Cheong Heon Yi

The research of the Department of Accountancy (AC) covers a broad spectrum of interests in accounting issues and research methods, with major foci in the following areas: corporate governance issues in China and the U.S., capital market-based accounting research, securities analyst forecasts, management forecasts, agency theory, management performance evaluation, earnings management, conservative accounting and auditing. Our faculty members have published in leading accounting journals such as *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Contemporary Accounting Research* and *Review of Accounting Studies*. Their work has also appeared in major finance journals such as *Journal of Finance*, *Journal of Financial Economics* and *Journal of Financial and Quantitative Analysis*.



\* As of Oct 2015

## REPRESENTATIVE PROJECTS

### ① Extended XBRL Taxonomies and Financial Analysts' Information

This study investigates how the use of extended tags in eXtensible Business Reporting Language (XBRL) filings is associated with financial analysts' information. XBRL allows firms to tag data in their financial reports. This data is machine readable and searchable, which reduces cost of accessing and using the data (i.e. information processing costs). This study addresses the question of how the use of firm-specific (extended) tags is associated with the firm's information environment. It considers the extension rate at the document level, within the disclosure related sections of the XBRL filing, and within the financial statements. It uses properties of financial analysts' earnings forecasts as proxies for investors' information. It contends that extensions in the disclosure section of the XBRL filing is more likely intended to provide firm-specific information whereas extensions within the financial statements likely make information less useful. It finds that the overall extension rate is negatively related to the firm's information environment. However, after controlling for the overall extension rate, it finds some evidence that extended disclosures and extensions within the balance sheet and income statement is associated with lower forecast error while extensions within the cash flow statement are related to higher forecast error and dispersion. This study is relevant to regulators creating policies about XBRL, both in the U.S. and around the world.







## 2 Client Political Connections and Auditor Reporting Decisions

This project investigates how client political connections affect auditor reporting decisions in the U.S. Following Goldman et al. (2009), it defines a firm as politically connected if one or more of its directors had held a political position.

It posits that auditors may be more likely to issue going-concern opinions to politically connected clients, for two reasons. First, politically connected firms may receive more media coverage, which may cause auditors to be more conservative in their audit reporting decisions for such clients (the visibility argument). Second, political connections may

increase connected firms' business risk, which in turn may increase the litigation risk faced by auditors (the risk argument).

The findings from this work will help to explain how political factors and public attention on client firms affect auditor judgment and decision making in the U.S. The auditing literature mostly examines how political factors shape auditor behavior in international settings or developing countries. Its work extends this literature by providing the U.S. evidence.

## 3 The Role of Auditors' Judgment-Related Traits on Audit Quality: Analysis Combining Survey Data with Archival Information on Individual Auditor Characteristics in China

The objective of this study is to employ a design that combines survey-based data together with archival data in China to examine the role of auditors' judgment-related traits on audit quality in an unobstructed setting (as opposed to the obstructed experimental settings used in prior literature).

It follows the questionnaire design developed in prior studies that measures the relevant trait-related characteristics, and plan to survey as many auditors as possible (at least 200) in China. Combining (triangulating) these traits proxies with archival data on other auditor characteristics manually collected as well as other client-level accounting and market data from electronic databases, it tests whether and how audit quality (AQ, measured by audit opinion and quality of audited earnings) are affected by the following four dimensions of auditors' judgment-related traits.

First, findings of this study add to the auditing literature of how characteristics of individual auditors influence audit quality.

Second, this study complements the findings documented in prior studies that examine the role of auditors' judgment-related

traits based on experiments in controlled settings, or based on surveys that obtain mostly self-reported opinions on respondents' perceptions.

Third, this study incorporates psychology / behavioral economics into the context of auditing, and re-conceptualizes the examination of audit quality at individual auditor level. Findings of this study provide new perspectives on factors affecting audit quality, and open new avenues for future auditing research.

Lastly, by examining how individual auditor characteristics are linked with audit quality in this large and yet developing economy, this study provides useful policy implications on the development of the audit profession e.g. the need for instilling ethical values to auditors through ethics training.

## MAJOR EXTERNAL GRANTS

2015

- ECS** ■ The Real Effect of Audit Market Consolidation on Client Firms
- GRF** ■ Effect of Customers Risk Factor Disclosures on the Suppliers Relationship-Specific Investment and Investment Efficiency

2014

- GRF** ■ Audit Firm Characteristics and Audit Firm Client Portfolio Decisions
- Client Political Connections and Auditor Reporting Decisions
- The Effect of the Introduction of the General Anti-Avoidance Rule on the Tax-Sheltering Behavior of Chinese Listed Firms
- Extended XBRL Taxonomies and Financial Analysts' Information
- The Impact of Options Trading on the Use of Stock Price in CEO Compensation and Turnover Decisions
- The Role of Auditors' Judgment-Related Traits on Audit Quality: Analysis Combining Survey Data with Archival Information on Individual Auditor Characteristics in China
- NSFC** ■ 管理層盈餘預測與公司債務契約研究 (Management Earnings Forecast and Debt Contracting)

2013

- ECS** ■ The Oversight Role of Regulators
- GRF** ■ The Costs of Audit Failures to Engagement Partners
- Does Transfer Pricing Disclosure Communicate Useful Information? Evidence from China

ECS: Early Career Scheme Project Grant offered by University Grants Committee of the Hong Kong SAR Government  
 GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government  
 NSFC: National Natural Science Foundation of China

## OUTSTANDING PhD GRADUATES

- FUNG Yu Kit Simon, Associate Professor, Hong Kong Polytechnic University, HK
- WANG Ke, Assistant Professor, University of Alberta, Canada
- GUO Yingwen, Assistant Professor, Nanjing University, China
- XU Shen, Visiting Assistant Professor, Lehigh University, USA



### CONTACT US

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## MAJOR RESEARCH PUBLICATIONS

- Chen, F., Peng, S., Xue, S., **Yang, Z.**, & Ye, F. (forthcoming). Do audit clients successfully engage in opinion shopping? Partner-level evidence. *Journal of Accounting Research*.
- Dong, Y., Li, Z., **Lin, Y.**, & Ni, C. (forthcoming). Does information processing cost affect firm-specific information acquisition? Evidence from XBRL adoption. *Journal of Financial and Quantitative Analysis*.
- Fung, S., Zhou, G., & **Zhu, X.** (forthcoming). Monitor objectivity with important clients: Evidence from auditor opinions around the world. *Journal of International Business Studies*.
- Gong Q., Li, Z., **Lin, Y.**, & Wu, L. (forthcoming). On the benefits of audit market consolidation: Evidence from merged audit firms. *The Accounting Review*.
- **Guan, Y.**, Su, N., Wu, D., & **Yang, Z.** (forthcoming). Do school ties between auditors and client executives influence audit outcomes? *Journal of Accounting and Economics*.
- Kim, C., & **Zhang, L.** (forthcoming). Corporate political connections and tax aggressiveness. *Contemporary Accounting Research*.
- **Kim, J. B.**, Li, L., Wei, M., & **Zhang, H.** (forthcoming). Captured media and corporate transparency: Evidence from international and Chinese firms. *Contemporary Accounting Research*.
- **Kim, J. B.**, Lu, L., Li, L., & **Yu, Y.** (forthcoming). Financial statement comparability and expected crash risk. *Journal of Accounting and Economics*.
- **Kim, J. B., Wang, Z.**, & **Zhang, L.** (forthcoming). CEO overconfidence and stock price crash risk. *Contemporary Accounting Research*.
- **Kim, J. B.**, & **Zhang, L.** (forthcoming). Accounting conservatism and stock price crash risk: Firm-level evidence. *Contemporary Accounting Research*.
- Qian, C., Geng, X., Wang, H., & **Yu, Y.** (forthcoming). Rent appropriation of knowledge-based assets and firm performance when institutions are weak: A study of Chinese publicly listed firms. *Strategic Management Journal*.
- Li, Z., **Lin, Y.**, & Robinson, J. (forthcoming). The effect of capital gain taxes on the initial pricing and underpricing of IPOs. *Journal of Accounting and Economics*.
- Chan, L., Chen, K., Chen, T., & **Yu, Y.** (2015). Substitution between real and accrual-based earnings management after voluntary adoption of compensation clawback provisions. *The Accounting Review*, 90(1), 147-174.
- **Guan, Y.**, Wong, F., & **Zhang, Y.** (2015). Analyst following along the supply chain. *Review of Accounting Studies*, 20(1), 210-241.
- Li, Y., & **Zhang, L.** (2015). Short selling pressure, stock price behavior, and management forecast precision: Evidence from a natural experiment. *Journal of Accounting Research*, 53(1), 79-117.
- Pevzner, M., Xie, F., & **Xin, X.** (2015). When firms talk, do investors listen? The role of trust in stock market reactions to corporate earnings announcements. *Journal of Financial Economics*, 117(1), 190-223.
- Chen, T., Dasgupta, S., & **Yu, Y.** (2014). Transparency and Financing Choices of Family Firms. *Journal of Financial and Quantitative Analysis*, 49(2), 381-408.
- **Kim, J. B.**, & **Zhang, L.** (2014). Financial reporting opacity and expected crash risk: Evidence from implied volatility smirks. *Contemporary Accounting Research*, 31(3), 851-875.
- Lennox, C., & **Li, B.** (2014). Accounting misstatements following lawsuits against auditors. *Journal of Accounting and Economics*, 57(1), 58-75.
- Radhakrishnan, S., **Wang, Z.**, & **Zhang, Y.** (2014). Customers' capital market information quality and suppliers' performance. *Production and Operations Management*, 23(10), 1690-1705.
- Chen, Z., Ke, B., & **Yang, Z.** (2013). Minority shareholders' control rights and the quality of corporate decisions in weak investor protection countries: A natural experiment from China. *The Accounting Review*, 88(4), 1211-1238.
- Chen, Z. H., **Guan, Y.**, & Ke, B. (2013). Are stock option grants to directors of state-controlled Chinese firms listed in Hong Kong genuine compensation? *The Accounting Review*, 88(5), 1547-1574.
- Gul, F., Wu, D., & **Yang, Z.** (2013). Do individual auditors affect audit quality? Evidence from archival data. *The Accounting Review*, 88(6), 1993-2023.
- **Yang, Z.** (2013). Do political connections add value to audit firms? Evidence from IPO audits in China. *Contemporary Accounting Research*, 30(3), 891-921.

## RESEARCH FACULTY LIST

NAME	RESEARCH FOCUS	UNIVERSITY (PhD)	
<b>YI Cheong Heon</b> <i>Acting Head, Professor</i>	• Capital Markets, Financial Contracting, Disclosure and Business Groups	• Financial Contracting • Disclosure	University of California, Los Angeles (USA)
<b>GUAN Yuyan</b> <i>Associate Head, Associate Professor</i>	• Analyst Forecast • Earnings Management	• Corporate Governance	University of Toronto (Canada)
<b>MO Lai Lan Phyllis</b> <i>Professor</i>	• Auditing	• Tax Compliance	Chinese University of Hong Kong (HK)
<b>YU Wayne</b> <i>Professor</i>	• Corporate Finance	• Capital Markets	University of Alberta (Canada)
<b>LEUNG Sidney C M</b> <i>Associate Professor</i>	• Financial Accounting • Corporate Governance	• Earnings Management	University of New South Wales (Australia)
<b>YANG Zhifeng</b> <i>Associate Professor</i>	• Corporate Finance, Governance and Auditing		University of Alberta (Canada)
<b>ZHANG Hao</b> <i>Associate Professor</i>	• Market-Based Accounting • Law and Finance	• Corporate Finance	Texas A&M University (USA)
<b>ZHANG Liandong<sup>1</sup></b> <i>Associate Professor</i>	• Financial Accounting • Asset Pricing	• Corporate Governance	Nanyang Technological University (Singapore)
<b>ZHENG Liu</b> <i>Associate Professor</i>	• Financial Reporting and Capital Markets • Managerial Compensation	• Corporate Governance	University of Southern California (USA)
<b>CHEN Wen</b> <i>Assistant Professor</i>	• Empirical Research in Capital and Debt Markets	• Market Frictions • Financial Reporting and Disclosure	University of Minnesota (USA)
<b>GAO Yanmin</b> <i>Assistant Professor</i>	• Corporate Governance • Earnings Quality	• Accounting Fraud • Agency Theory	University of British Columbia (Canada)
<b>JOHNSTON Joseph Atkins</b> <i>Assistant Professor</i>	• Capital Markets • Price Informativeness	• Earnings Quality	Louisiana State University (USA)
<b>LI Bing</b> <i>Assistant Professor</i>	• Auditing • Litigation	• Accounting Regulation	Nanyang Technological University (Singapore)
<b>LIN Yupeng</b> <i>Assistant Professor</i>	• Banking	• Information Economics	National University of Singapore (Singapore)
<b>MA Alfred K W</b> <i>Assistant Professor</i>	• Corporate Risk Management		The Chinese University of Hong Kong (HK)*
<b>POH Paul P H</b> <i>Assistant Professor</i>	• Management Accounting	• Accounting Education	University of Reading (UK)*
<b>TSUI Stephanie</b> <i>Assistant Professor</i>	• Executive Compensation		Arizona State University (USA)
<b>WANG Zheng</b> <i>Assistant Professor</i>	• Capital Market • Financial Reporting	• Analyst Information	University of Maryland (USA)
<b>WONG Man Kong</b> <i>Assistant Professor</i>	• Auditing in China • Ethical Issues in Auditing	• Financial Statement Frauds	Hong Kong Polytechnic University (HK)
<b>WU Haibin</b> <i>Assistant Professor</i>	• Financial Reporting	• Corporate Finance	University of Alberta (Canada) Vanderbilt University (USA)
<b>XIN Xiangang</b> <i>Assistant Professor</i>	• Corporate Governance • Agency Costs of Debt	• International Accounting	Chinese University of Hong Kong (HK)
<b>YU Yangxin</b> <i>Assistant Professor</i>	• Financial Reporting	• Executive Compensation	Hong Kong University of Science and Technology (HK)
<b>ZHANG Yue</b> <i>Assistant Professor</i>	• Corporate Disclosure • Accounting Information System	• Supply Chain	University of Texas at Dallas (USA)
<b>ZHU Xindong</b> <i>Assistant Professor</i>	• Auditing • Financial Reporting	• Corporate Governance	Hong Kong Polytechnic University (HK)

<sup>1</sup> Winner of College of Business Research Excellence Award 2014

\* Master's Degree



# Department of Economics and Finance



## MESSAGE from the HEAD

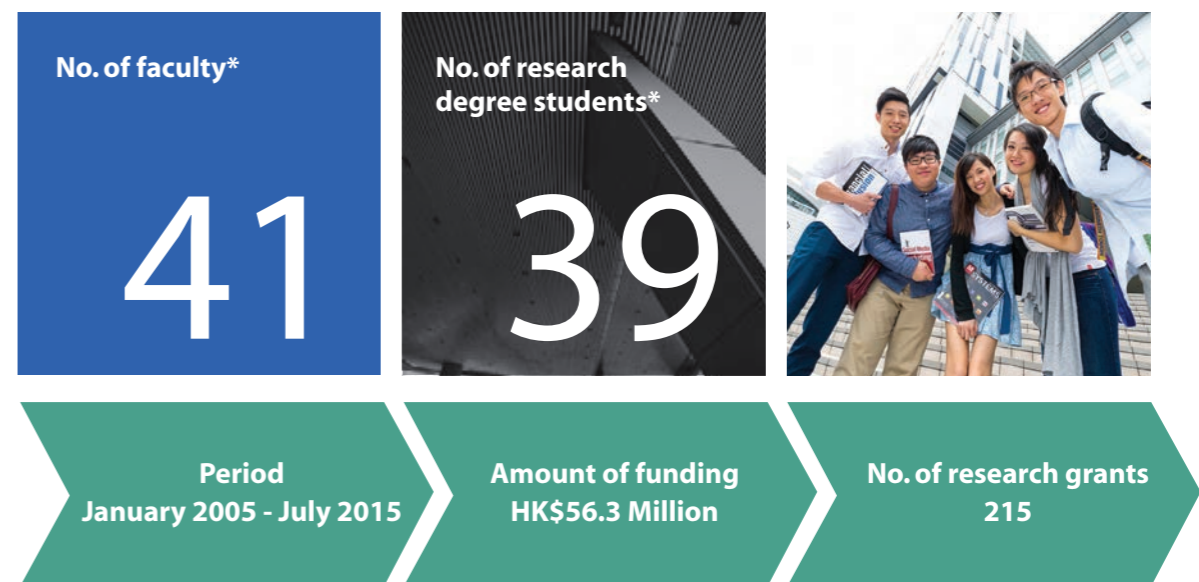
Prof Junbo WANG

One important mission of the Department of Economics and Finance (EF) is to pursue high quality scholarly research into financial and economic issues in the Asia-Pacific region. We have established an excellent research environment, including a productive and energetic research team. With our first-class research facilities, we will continue to play a leading role in research areas of economics and finance in the Asia-Pacific region.

We consolidate our research efforts particularly in the financial markets of Hong Kong, mainland China, and other Asia-Pacific economies as well as studies related to the global economy and international trade, and promote interactions among scholars in Hong Kong and the rest of the world. Our research in economics concentrates in applied economics with a strong focus on the links between macroeconomics, finance, international finance and development. Our research in finance concentrates on both theoretical and applied areas with a strong emphasis on asset pricing and informational inefficiencies, corporate finance, and market structure.

Over the years, we have established and maintained collaborative relationships with major institutions, including the People's Bank of China, Shanghai Jiao Tong University, Renmin University of China, Zhejiang University, Lingnan College of Zhongshan University, University of Paris I, Kobe University, Chinese Academy of Sciences, among others. We work closely with faculty members on joint research projects at major universities in China, Japan, Canada and the U.S.

We are a leading department in economics and finance in the Asia-Pacific region, and look forward to continuing to serve Hong Kong and the Asia-Pacific region in the exciting years ahead.



\*As of Oct 2015

## RESEARCH UNITS / CENTERS / LABORATORIES

### 1 Research Center for International Economics (RCIE)

The Center aims to promote research excellence and scholarly activity in the broad arena of International Economics, with special emphasis on Hong Kong, mainland China, and other Asia-Pacific economies.

#### The primary activities of the Center include:

- Organizing a high-impact annual conference on International Economics every summer.
- A Working Paper Series which circulates papers written by local and visiting faculty members. The papers are widely distributed to other academic institutions.
- Appointing promising and well-established scholars, from CityU and elsewhere, as Research Fellows, Senior Research Fellows and Advisors, affiliated with the Center.
- Co-sponsoring seminars, conferences and workshops with the related department, and other academic and professional organizations throughout the academic year.

### 2 Global Research Unit (GRU)

The Unit aims to develop into a leading research group on global economic and financial issues so as to enhance the international visibility and stature of CityU and the College of Business. The research interests of the founding members include Global Imbalances, RMB Internationalization, Foreign Direct Investment, International Asset Pricing, Fixed Income Markets, Exchange Rate Determination, Financial Crises, Capital Controls, Financial and Economic Development and Financial Econometrics.

#### The primary activities of the Center include:

- Conducting and publishing cutting-edge research in leading economics and finance journals.
- Holding high-impact international conferences with participation from leading scholars globally.
- Recruiting leading scholars from all over the world as Research Affiliates of GRU to foster greater collaboration between them and our members.
- Disseminating the research of GRU globally through a Working Paper Series to foster exchange of cutting-edge research ideas.
- Developing collaborative affiliations with other leading research institutes and academic organizations globally.
- Enhancing student discovery and innovation via student involvement in the research activities of GRU.



### 3 SSCI journals - Asia-Pacific Journal of Accounting and Economics and Pacific Economic Review



**Asia-Pacific Journal of Accounting and Economics (APJAE)**  
 APJAE is an international forum intended for theoretical and empirical research in all areas of economics and accounting in general. In particular, the journal encourages submissions in the following areas: auditing, financial reporting, earnings management, financial analysts, the role of accounting information, international trade and finance, industrial organization, strategic behavior, market structure, financial contracts, corporate governance, capital markets, and financial institutions.

The journal welcomes contributions related to the Asia Pacific region, and targets top quality research from scholars with diverse regional interests. The editors encourage submission of high quality manuscripts with innovative ideas. The editorial team is committed to an expedient review process.

#### Pacific Economic Review (PER)

PER publishes high-quality articles in all areas of economics, both theoretical and empirical, and welcomes in particular analyses of economic issues in the Asia-Pacific area.

The October issue, edited and published with sponsorship from National Taiwan University, welcomes empirical, theoretical and policy-oriented contributions from all fields of economics, with special focus on applied econometrics.

The December issue, edited by the Center for Advanced Policy Studies at the Institute of Economic Research at Kyoto University, welcomes all areas of economics with a special focus on economic issues and policies relating to the Asia-Pacific region.

### 4 CityUHK Experimental Economics Laboratory

The Laboratory supports research and teaching in the area of experimental economics and experimental finance, broadly defined.

### 5 Financial Computing Laboratory

The Laboratory facilitates applied research and student consulting works on the use of technology to solve managerial issues of financial services. Research areas include:

- Algorithm trading
- Big data finance
- Intelligent customer profiling
- Hedge fund management
- Stock selection
- Financial forecasting
- Financial fraud tracking
- Anti-money-laundering detection
- Social network analysis for financial analysis
- Investor risk profiling
- Financial derivatives pricing
- Macro and systemic risk prediction
- Mobile platforms and apps for financial services
- Intelligent services management for financial institutions



## REPRESENTATIVE PROJECTS

### 1 Habits and Uncovered Interest Parity Puzzle: Theory and Estimation

Currency exchange market has the largest daily trading volume among all financial markets. Yet, it has a very robust empirical regularity, known as uncovered interest parity (UIP) puzzle. That is, a currency with relatively high interest rate tends to appreciate in the short term. This is the empirical foundation for the practice of carry trade. It is only recently that equilibrium asset pricing models are able to explain this puzzle. These recent models include habit formation and long-run risks.

In this project, based on the success of these two models, we intend to propose a model with preferences shock and stochastic volatility of consumption growth but without the aggregation issue. The model has potential to explain the UIP puzzle because it has many important features that are shown to be important by the extensive studies of the UIP puzzle. In addition, this model enjoys closed-form solutions. This enables researchers to conduct rigorous empirical investigations, e.g., likelihood based estimation and tests on asset pricing issues. In contrast to the common practice in this literature, a calibration-simulation is usually used to show the model's ability to explain the empirical regularities. This method not only is less rigorous but also offers less details on the economics. Our empirical studies should shed new light on the implications of UIP puzzle and other empirical regularities.

### 2 Trading Activity and Price Volatility in Corporate Bond Market

Price volatility and volume are two of the most closely watched trading variables in the financial market. There has been extensive research on the role of volume in financial markets and it has been shown that volume contains fundamental information about a security. Substantial evidence also indicates that the information flow induces trades and price volatility simultaneously, resulting in a positive relation between volatility and volume. In the trading market, volatility and volume are constantly monitored by practitioners who have a great deal of concern over trading risk, capital adequacy, price discovery and market quality. Recently, the issues of volatility, volume and liquidity are of particular interest to academicians and practitioners in the context of high frequency trading.

Despite a vast literature on the relation between volatility and trading activity, there are few studies on this issue in the fixed-income markets. Most studies on this relation focus on the equity and derivatives markets. In this project, we would like to examine alternative hypotheses for this relation for corporate bond market. This will provide the first comprehensive evidence for the price volatility and trading activity relation in the corporate bond market. This project will also expand the current literature in several dimensions, such as (1) the contribution of non-informational factors to the relation between price volatility and trading activity; (2) the effects of liquidity and quality on the impact of trading on price volatility during different market conditions; and (3) disentangle the effects of flight-to-quality and flight-to-liquidity and their interactions during the subprime crisis.

Along these dimensions, this project tries to document several unique findings pertaining to the corporate bond market. And the analysis of the impact of trading on price volatility during the financial crunch can provide new insights on the roles of liquidity and credit quality in times of stress.





## MAJOR EXTERNAL GRANTS

2015

- ECS**
- Can Risk Attitudes in the Lab Predict Actual Portfolio Choice?
  - Negative Impact of Uncertainty in Demand on Working Part-Time for Economic Reasons after the Great Recession
- GRF**
- Advisor Lending to the Advised Acquirer in M&A
  - Conglomerates and Import Penetration
  - Habits and the Term Structure of Risk Premia
  - Labor Unions and Corporate Debt Structures
  - Model Selection and Estimation in Structural VARs with External Instruments

2014

- ECS**
- External Pay Gap and Corporate Policy
  - Propagation of Shocks in the Competitive Environment along the Supply Chain
- GRF**
- The Externalities of Credit Default Swaps on Industry Peers
  - Macroeconomic News and Stock Returns
  - National Elections, Political Uncertainty and Corporate Financing Activity
  - Robust Selection of the Best through Computer Simulation Experiments
  - Simple, Parametric and Non-Parametric, Model Misspecification Robust Tests for Unit Root

2013

- ECS**
- Corporate Investment and Financing Policies for Innovative Growth Opportunities
  - The Economics of China's State Personnel Management: Rents, Incentives and Public Sector Reforms
  - Linear Programming-Based Estimation and Inference
  - Shrinkage Estimation in High Dimensional Dynamic Factor Models
- GRF**
- Accounting for Parameter Estimation Errors in Operations Research Models: A Monte Carlo Simulation Approach
  - Habits and Uncovered Interest Parity Puzzle: Theory and Estimation
  - Informativeness of Multiple-Step Income Statement v.s. Sing-Step Income Statement
  - Trading Activity and Price Volatility in Corporate Bond Market

ECS: Early Career Scheme Project Grant offered by University Grants Committee of the Hong Kong SAR Government  
GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government

## MAJOR RESEARCH PUBLICATIONS

- Christoffersen, P., **Du, D.**, & Elkamhi, R. (forthcoming). Rare macro disasters in credit and option markets. *Management Science*.
- **Huang, Q.**, Jiang, F., Lie, E., & Que, T. (forthcoming). The effect of labor unions on CEO compensation. *Journal of Financial and Quantitative Analysis*.
- **Kim, R.** (forthcoming). Financial weakness and product market performance: The internal capital market evidence. *Journal of Financial and Quantitative Analysis*.
- **Li, Y.J.**, & Tang, D. (forthcoming). The leverage externalities of credit default swaps. *Journal of Financial Economics*.
- **Wu, X.**, Wang, Z., & Yao, J. (forthcoming). A rent protection explanation for SEO flotation method choice. *Journal of Financial and Quantitative Analysis*.
- Aizenman, J., **Cheung, Y.W.**, & Ito, H. (2015). International reserves before and after the global crisis: Is there no end to hoarding?. *Journal of International Money and Finance*, 52(4), 102-126.
- **Alimov, A.** (2015). Labor market regulations and cross-border mergers and acquisitions. *Journal of International Business Studies*, 46(8), 984-1009.
- Berkowitz, D., Lin, C., & **Ma, Y.** (2015). Do property rights matter? Evidence from a property law enactment. *Journal of Financial Economics*, 116(3), 583-593.
- Beck, T., Lin, C., & **Ma, Y.** (2014). Why do firms evade taxes? The role of information sharing and financial sector outreach. *Journal of Finance*, 69(2), 763-817.
- Caner, M., & **Xu, H.** (2014). Using bridge estimators to determine number of factors in multifactor models: Case of large panel data. *Journal of Business and Economic Statistics*, 32(3), 359-374.
- **Huang, Q.**, Jiang, F., Lie, E., & Ke, Y. (2014). The role of investment banker directors in M&A. *Journal of Financial Economics*, 112(2), 269-286.
- **Ma, Y.**, Tang, H., & Zhang, Y. (2014). Factor intensity, product switching, and productivity: Evidence from Chinese exporters. *Journal of International Economics*, 92(2), 349-362.
- **Xu, H.**, & Inoue, A. (2014). Tests for parameter instability in dynamic factor models. *Econometric Theory*, 31(5), 1173-1152.
- **Du, D.** (2013). General equilibrium pricing of currency and currency options. *Journal of Financial Economics*, 110(3), 730-751.
- Hossain T., & **Li, K.K.** (2013). Crowding out in the labor market: A prosocial setting is necessary. *Management Science*, 60(5), 1148-1160.
- Lai, E.L.C., & **Yan, I.** (2013). Would global patent protection be too weak without international coordination? *Journal of International Economics*, 89(1), 42-54.
- Li, H., **Li, T.**, & Yu, C. (2013). No-arbitrage Taylor rules with switching regimes. *Management Science*, 59(10), 2278-2294.
- **Li, T.** (2013). Investors' heterogeneity and implied volatility smiles. *Management Science*, 59(10), 2392-2412.
- Lin, C., **Ma, Y.**, Malatesta, P., & Xuan, Y. (2013). Corporate ownership structure and the choice between bank debt and public debt. *Journal of Financial Economics*, 109(2), 517-534.
- Man, K., **Wang, J.**, & Wu, C. (2013). Price discovery in the U.S. treasury market: Automation versus intermediation. *Management Science*, 59(3), 695-714.



## EDITORIAL SERVICES AND RECOGNITION

EF has a strong track record in publishing its research. Its faculty members have published in top academic journals in a variety of specialized fields, including Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Management Science, and Econometric Theory.

Over the years, its faculty members have won multiple international research awards and served as editorial board members of major international journals. According to IDEAS's ranking of research, the Department was ranked No. 1 in Hong Kong.

## OUTSTANDING PhD GRADUATES

- JIANG Ping, Associate Professor,  
*University of International Business and Economics, China*
- LIN Mi, Lecturer,  
*University of Lincoln, UK*
- LUO Miao, Assistant Professor,  
*Sun Yat-sen University, China*
- WANG Rui, Assistant Professor,  
*Chinese University of Hong Kong (Shenzhen), China*
- ZHUANG Ziyin Roger, Executive Director,  
*QEdge Capital, HK*



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## RESEARCH FACULTY LIST

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LEUNG Ka Yui Charles <i>Associate Head, Associate Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	University of Rochester (USA)
CHEUNG Yin Wong <i>Chair Professor</i>	• International Economics	• International Finance University of Pennsylvania (USA)
HONG Jeff <i>Chair Professor</i>	• Econometrics (Theory/Applied Financial)	Northwestern University (USA)
MA Yue <i>Chair Professor</i>	• Corporate Finance	• Corporate Governance University of Manchester (UK)
VALENTE Giorgio <i>Professor</i>	• Asset Pricing • Market Microstructure	• Investment University of Warwick (UK)
YU Wayne <i>Professor</i>	• Capital Markets • Financial Accounting	• Derivatives • Corporate Finance University of Alberta (Canada)
CAI Jun <i>Associate Professor</i>	• Corporate Finance	• Corporate Governance Northwestern University (USA)
HO To Ming <i>Associate Professor</i>	• Microeconomics (including Education, Labor, Experimental and Behavioral Economics)	University of Southampton (UK)
KAKKAR Vikas <i>Associate Professor</i>	• International Economics	• International Finance University of Rochester (USA)
KWAN Yum Keung Fred <i>Associate Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	University of Minnesota (USA)
LI Kui Wai <i>Associate Professor</i>	• International Economics	• International Finance City University London (UK)
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QI Yaxuan <i>Associate Professor</i>	• Corporate Finance	• Corporate Governance Rutgers University (USA)
WANG Jingdong James <i>Associate Professor</i>	• Asset Pricing • Market Microstructure	• Investment University of Utah (USA)
WANG Yong <i>Associate Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	Brown University (USA)
WONG Chak Sham Michael <i>Associate Professor</i>	• Asset Pricing • Market Microstructure	• Investment Chinese University of Hong Kong (HK)
WU Xueping <i>Associate Professor</i>	• Corporate Finance	• Corporate Governance Catholic University of Leuven (Belgium)
YAN Kit Ming Isabel <i>Associate Professor</i>	• International Economics	• International Finance Stanford University (USA)
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ANDONIE Costel Daniel <i>Assistant Professor</i>	• Microeconomics (including Education, Labor Experimental and Behavioral Economics)	Northwestern University (USA)
ARAYAVECHKIT Tanida <i>Assistant Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	University of Pennsylvania (USA)
CHANG Dongkyu <i>Assistant Professor</i>	• Microeconomic Theory • Industrial Organization	• Game Theory Yale University (USA)
DU Du <i>Assistant Professor</i>	• Asset Pricing • Market Microstructure	• Investment University of Chicago (USA)
HAN Xu <i>Assistant Professor</i>	• Econometrics (Theory/Applied Financial)	North Carolina State University (USA)
HUANG Qianqian <i>Assistant Professor</i>	• Corporate Finance	• Corporate Governance University of Iowa (USA)
KIM Ryoonee <i>Assistant Professor</i>	• Corporate Finance	• Corporate Governance University of Illinois at Urbana-Champaign (USA)
KIM Yongjin <i>Assistant Professor</i>	• Macro-Asset Pricing • Structural Estimation	• Dynamic Corporate Finance Carnegie Mellon University (USA)
LEE Wei Ming <i>Assistant Professor</i>	• Corporate Finance	• Corporate Governance University of Washington (USA)
LI Jinyue <i>Assistant Professor</i>	• Urban Economics • Macroeconomics	• International Trade University of Minnesota (USA)
LI King King <i>Assistant Professor</i>	• Microeconomics (including Education, Labor, Experimental and Behavioral Economics)	Hong Kong University of Science and Technology (HK)
LI Yin Jay <i>Assistant Professor</i>	• Corporate Finance	• Corporate Governance University of Texas at Dallas (USA)
LUO Guannan <i>Assistant Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	Northwestern University (USA)
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MUTLU Gulseren <i>Assistant Professor</i>	• Microeconomics (including Education, Labor, Experimental, and Behavioral Economics)	New York University (USA)
NILANJAN Roy <i>Assistant Professor</i>	• Applied Microeconomic Theory • Public Economics • Experimental Finance (Markets, Asset Pricing Theory)	• Applied Game Theory • Experimental Economics California Institute of Technology (USA)
PREVE Daniel <i>Assistant Professor</i>	• Econometrics (Theory/Applied Financial)	Uppsala University (Sweden)
TAM Xuan Song <i>Assistant Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	University of Virginia (USA)
ZHANG Zhong <i>Assistant Professor</i>	• Asset Pricing • Market Microstructure	• Investment Indiana University (USA)
ZHENG Yu <i>Assistant Professor</i>	• Macroeconomics (including Public and Real Estate Economics)	Washington University in St. Louis (USA)
ZHU Rui Margaret <i>Assistant Professor</i>	• Corporate Finance	• Corporate Governance University of Texas at Austin (USA)

<sup>1</sup> Winner of College of Business Research Excellence Award 2012





# Department of Information Systems



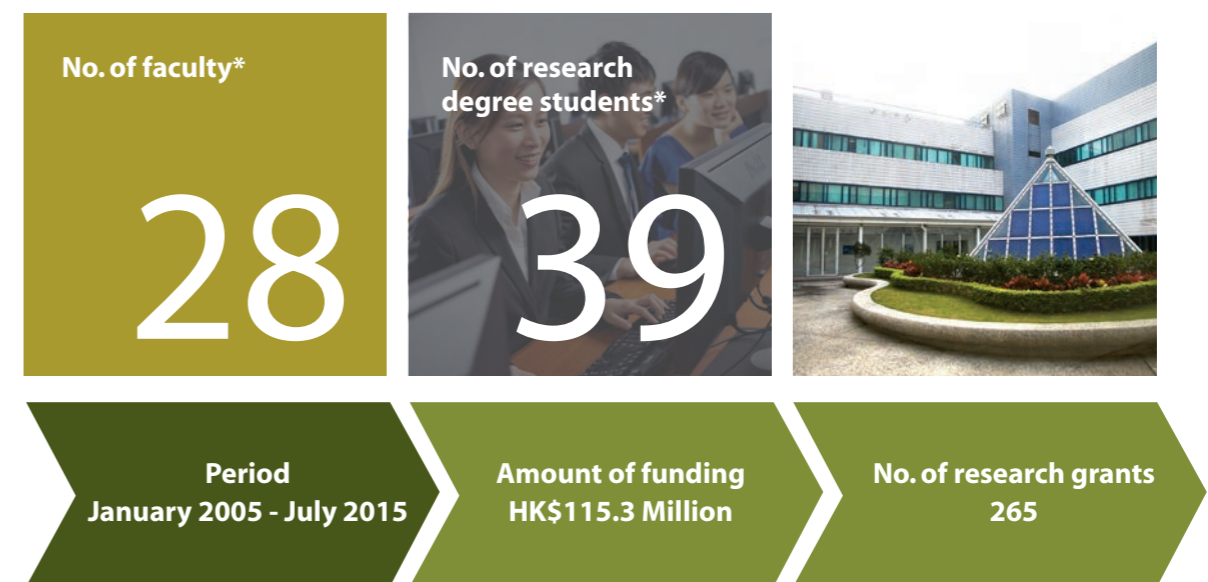
## MESSAGE from the HEAD

Prof Choon Ling SIA

The Department of Information Systems (IS) is a pioneer in teaching and research innovations and is well-resourced with state-of-the-art laboratories. Started in September 1990 with 15 faculty members, our department now has about 40 research and teaching staff. Recognized globally as one of the best information systems departments in the world, IS offers a comprehensive range of degree programs from Bachelor to PhD levels in the areas of information systems, electronic commerce, information and knowledge management, organizational management of information technology, design of computer mechanisms and systems, as well as the impacts of information technology on organizations, economics and society.

We are ranked No. 2 based on the Association of Information Systems' top-eight journals (2009-2013) and No. 4 in the UT Dallas-List's three IS journals (2011-2014). This result is remarkable since CityU is the only Asian university that is ranked top 10 in both ranking systems.

The research of our 28 regular academic faculty members has been supported by governmental funding agencies in Hong Kong and China as well as corporations. We welcome opportunities to partner with business communities in Hong Kong, mainland China, and other parts of the world to pursue excellent and high-impact research and development.



\*As of Oct 2015

## REPRESENTATIVE PROJECTS

### 1 Information Technology Innovation and Management

Projects under this theme are concerned with theories, processes, techniques and practices that can be used by senior management and the organizational IT function for making better use of IT in organizations. These projects seek to understand how technological innovations can be better implemented and managed in organizations to improve organizational performance, including both tangible gains (e.g., financial gain and higher customer retention rate) and intangible benefits (e.g., higher employee satisfaction and better firm image).

Representative topics under this project theme include:

- Exploring the Effects of Organizational Culture on Supply Chain Integration Firm Performance
- Implementing and Evaluating a Virtual Fitness Trainer System for Improving Work Productivity
- Knowledge Sharing through Information and Communication Technology Mediated Social Ties
- A Multi-Level Analysis of the Effect of Institutional Power on User Resistance to Enterprise Systems
- Understanding the Antecedents and Consequence of Internet-Enabled Supply Chain Integration



## 2 Information Technology User Behavioral Analyses

Projects under this theme emphasize on the cognitive and affective basis for effective systems designs. These projects seek to understand and analyze how people interact and use technological artifacts to make decisions so as to design artifacts that can support better decisions and creative solutions. Examples of artifacts investigated under this project theme include online recommendation systems, crowdsourcing platforms, mobile phone interfaces, e-commerce websites, social network sites and privacy protection mechanisms.

Representative topics under this project theme include:

- The Development of Problematic Use of Online Social Networking Sites: A Theoretical Model and Its Empirical Test
- Do You Really Care about Your Information Privacy? An Empirical Investigation of Privacy Attitude-Behavior Paradox in Online Social Networking Sites
- From Service Failures to Service Recovery: Measuring Online Consumers' Emotions during the Use of Online Product Configurators
- Towards a Cross-Cultural Understanding of Insider Protection-Motivation Behaviors to Establish Secure Organizational Information Assets
- Web 2.0 for Work: Social Networking in the Workspace

## 3 Big Data Analytics and Business Intelligence

Business Intelligence and the related field of Big Data Analytics have become increasingly important in both the academic and the business communities over the past two decades. This area of research seeks to develop methodologies to mine useful patterns from large quantities of unstructured data to help organizations make sounder, evidence-based business decisions. Research conducted under this project theme involves data sources from online reviews, traffic/transportation information, social network postings, financial transactions, etc.

Representative topics under this project theme include:

- Intelligent Transportation System – Mobile Vehicle Technology Applications
- Learning Domain Specific Opinion Lexicons for the Context-Sensitive Opinion Retrieval of Bilingual Online Comments
- Negotiation for Composing Value-added Software Services in Service Centric Computing
- Profile-Based Recommendation in Research and Innovation Social Networks
- Research Analytic Framework for Lean Research Management

## 4 Economic Analyses and Modeling of Information Technology

Projects under this theme emphasize the application of theory, modeling and empirical methods from analytical and empirical economics to managerial problems involving information technologies. These projects focus on consumer Internet search behaviors, price dispersion, information goods (e.g., software) pricing, healthcare data breaches, and cyber-attacks.

Representative topics under this project theme include:

- Are Online Product Reviews Trustworthy? Automatically Detecting Bilingual Deceptive Product Reviews and Analysing Their Economic Impact
- Consumer Surplus in the New Mobile Economy: Estimating the Value of Mobile Applications
- Dissecting Hacker Behaviors in Online Communities and the Threats that They Pose
- When "Wisdom of the Crowd" Goes Awry? Investigating the Effectiveness of the Aggregated Helpful Vote on Online Product Reviews
- Why Do You Find the Review Useful? The Trilogy of Intensity, Discrepancy and Credibility

## EDITORIAL SERVICES AND RECOGNITION

Many faculty members have served or are serving as Senior Editors or Associate Editors of the top journals of the IS discipline. And many faculty members are currently serving on the editorial boards of major SCI/SSCI-listed IS journals, with some serving as Editor-in-Chiefs. Prof WEI Kwok Kee and Prof Douglas VOGEL have received the AIS Fellow Award from the Association for Information Systems to recognize their significant contributions to the field of information systems.



## MAJOR EXTERNAL GRANTS

2015

- ECS**
- Managing the Paradoxical Impacts of Search Approach Openness through Information Technologies
  - A Spatiotemporal Analysis of Adoption Behavior at a Crowdfunding Market
- GRF**
- Big Data Analytics for Detecting Deceptive Product Comments in Online Social Media
  - Consumer Use of Product Information under Web and Mobile Channels in e-Commerce: A Process Design Perspective
  - Cyber-Attacks and IT Innovations in the Age of Insecurity
  - Dynamic Tie Strength Structure in Online Social Networks
  - Intra-Firm Network Structure, Environmental Uncertainty, Technological Diversity, and Firm Innovation: Evidence from the Software and ICT Industries
  - Multimodal Investigation of an Open Source Software Project and Its Ecology
  - User Creativity In Crowdsourcing Community: The Effects of Intrinsic Motivation, Creative Self-Efficacy and Task Characteristics

2014

- ECS**
- Content Characteristics, Source Characteristics, and Information Helpfulness: Evidence from a User-Generated Content Community
  - The Impact of Online Buyer-Determined Auction Design on Bidding Behavior and Auction Outcomes in Online Labor Market
- GRF**
- Collaborative Modeling and Analysis of Enterprise-Wide Information Systems Integration Requirements with Semantic Search and Reusability Guidance
  - How Healthcare Data Breaches and Meaningful Use of Electronic Health Records Influence Each Other
  - Humanizing Organizational Technology Adoption Decisions: An Integrative Model from the Upper Echelons and Symbolic Action Perspective
  - Making Sound Information Technology Adoption Decisions: A Mindfulness Perspective
  - Pricing in Multi-Markets with the Existence of a Grey Market: An Analytical Model and Longitudinal Analysis
  - Product Photographic Presentation and Online Consumer Behavior: The Role of Image Features in e-Commerce

2013

- GRF**
- Analyzing the Relationship between Online and Mobile Advertising: An Archival Data Analysis with a Randomized Field Experiment
  - An Analytical Framework and Implementation for Firm's Credibility Assessment
  - A Design Perspective for Enhancing and Maintaining User Engagement in Software Games
  - Digital Piracy, Software Bundling and Cloud-Based Software Service: An Economic Analysis
  - The Effect of Intrinsic Motivation and Psychological Empowerment on Users' Exploratory Usage of Enterprise Systems
  - Why We Cannot Put Down Our Smartphones: Explaining Compulsive Smartphone Use through Positive and Negative Reinforcement Processes

ECS: Early Career Scheme Project Grant, offered by University Grants Committee of the Hong Kong SAR Government  
GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government

## MAJOR RESEARCH PUBLICATIONS

- Hibbeln, M., Jenkins, J., **Schneider, C.**, Valacich, J. S., & Weinmann, M. (forthcoming). Inferring negative emotions from mouse cursor movements. *MIS Quarterly*.
- **Lau, R.Y.K., Zhao, J. L.**, Zhang, W., Cai, Y., & Ngai, E. (forthcoming). Learning Context-sensitive domain ontologies from folksonomies: A cognitively motivated method. *INFORMS Journal on Computing*.
- **Li, X.**, Chen, K., Sun, S., & Fung, T. (forthcoming). A commonsense knowledge enabled textual analysis approach for financial market surveillance. *INFORMS Journal on Computing*.
- **Wang, A.**, Zhang, M., & Hann, I. H. (forthcoming). Socially nudged: A quasi-experimental study of friends' social influence in online product ratings. *Information Systems Research*.
- **Chen, H.**, De, P., & Hu, Y. J. (2015). IT-enabled broadcasting in social media: An empirical study of artists' activities and music sales. *Information Systems Research*, 26(3), 513-531.
- Hsu, J. S. C., Shih, S. P., Hung, Y. W., & **Lowry, P. B.** (2015). The role of extra-role behaviors and social controls in information security policy effectiveness. *Information Systems Research*, 26(2), 282-300.
- Lee, O., Sambamurthy, V., **Lim, K.**, & **Wei, K. K.** (2015). How does IT ambidexterity impact organizational agility? *Information Systems Research*, 26(2), 398-417.
- **Li, X.**, Sherry, S., & Chen, K. (2015). Design theory for market surveillance systems. *Journal of Management Information Systems*, 32(2), 278-313.
- **Tong, Y.**, Tan, S. S. L., & Teo, H. H. (2015). The road to early success: Impact of system use in the swift response phase. *Information Systems Research*, 26(2), 418-436.
- Vance, A., **Lowry, P. B.**, & Eggett, D. (2015). Increasing accountability through user-interface design artifacts: A new approach to addressing the problem of access-policy violations. *MIS Quarterly*, 39(2), 345-366.
- **Fang, Y.**, Qureshi, I., Sun, H., McCole, P., Ramsey, E., & **Lim, K.** (2014). Trust, satisfaction, and online re-purchase intention: The moderating role of perceived effectiveness of e-commerce institutional mechanisms. *MIS Quarterly*, 38(2), 404-427.
- Huang, L., **Tan, C. H.**, Ke, W., & **Wei, K. K.** (2014). Comprehension and assessment of product reviews: A review-product congruity proposition. *Journal of Management Information Systems*, 30(3), 311-343.
- **Kim, K. T.**, Mithas, S., Whitaker, J., & Roy, P. K. (2014). Industry-specific human capital and wages: Evidence from the business process outsourcing industry. *Information Systems Research*, 25(3), 618-638.
- **Kwon, J.**, & Johnson, M. E. (2014). Proactive versus reactive security investments in the healthcare sector. *MIS Quarterly*, 38(2), 451-471.
- Li, M., Jiang, Q., **Tan, C. H.**, & **Wei, K. K.** (2014). Enhancing user-game engagement through software gaming elements. *Journal of Management Information Systems*, 30(4), 115-150.
- Ou, C. X., Pavlou, P., & **Davison, R. M.** (2014). Swift Guanxi in online marketplaces: The role of computer-mediated-communication technologies. *MIS Quarterly*, 38(1), 209-230.
- Twyman, N. W., & **Lowry, P. B.**, Burgoon, J. K., & Nunamaker, J. F. J. (2014). Autonomous scientifically controlled screening systems for detecting information purposely concealed by individuals. *Journal of Management Information Systems*, 31(3), 106-137.
- Xu, K., **Liao, S. S.**, **Lau, R. Y. K.**, & **Zhao, J. L.** (2014). Effective active learning strategies for the use of large-margin classifiers in semantic annotation: An optimal parameter discovery perspective. *INFORMS Journal on Computing*, 26(3), 461-483.
- Hui, K., Hui, W., & **Yue, W. T.** (2013). Information security outsourcing with system interdependency and mandatory security requirement. *Journal of Management Information Systems*, 29(3), 117-156.
- **Kwon, J.**, & Johnson, M. E. (2013). Health-care security strategies for data protection and regulatory compliance. *Journal of Management Information Systems*, 30(2), 41-65.
- **Lowry, P. B.**, Moody, G., Galletta, D., & Vance, A. (2013). The drivers in the use of online whistle-blowing reporting systems. *Journal of Management Information Systems*, 30(1), 153-189.
- **Lowry, P. B.**, Moody, G., Gaskin, J., Galletta, D., Humpherys, S., Barlow, J., & Wilson, D. (2013). Evaluating journal quality and the Association for Information Systems (AIS) Senior Scholars' journal basket via bibliometric measures: Do expert journal assessments add value? *MIS Quarterly*, 37(4), 993-1012.
- Posey, C., Roberts, T. L., **Lowry, P. B.**, Bennett, R., & Courtney, J. (2013). Insiders' protection of organizational information assets: Development of a systematic-based taxonomy and theory of diversity for protection-motivated behaviors. *MIS Quarterly*, 37(4), 1189-1210.
- Sutanto, J., Palmep, E., **Tan, C. H.**, & Phang, C. W. (2013). Addressing the personalisation-privacy paradox: An empirical assessment from a field experiment on smartphone users. *MIS Quarterly*, 37(4), 1141-1164.
- **Wang, W.**, & Izak, B. (2013). A contingency approach to investigating the effects of user-system interaction modes of online decision aids. *Information Systems Research*, 24(3), 861-876.



## OUTSTANDING PhD GRADUATES

- CHEUNG Mei Kwan Christy, Associate Professor, Hong Kong Baptist University, HK
- HE Wei Joy, Assistant Professor, Hong Kong Polytechnic University, HK
- LEE One Ki Daniel, Associate Professor, University of Massachusetts Boston, USA
- WANG Minhong Maggie, Associate Professor, University of Hong Kong, HK
- XU Dongming, Senior Lecturer, University of Queensland, Australia



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## RESEARCH FACULTY LIST

NAME	RESEARCH FOCUS	UNIVERSITY (PhD)
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<b>YUE Wei Thoo</b> <i>Associate Head, Associate Professor</i>	• Information Security • Data Mining	• Software Piracy and Software Bundling • Expert Systems Purdue University (USA)
<b>LEE Kwok On Matthew</b> <i>Chair Professor</i>	• E-Commerce • Managing IT-Based	• Online Social Networks • Innovation Adoption and Diffusion University of Manchester (UK)
<b>LIM Kai Hin<sup>2</sup></b> <i>Chair Professor</i>	• Management of IT Resources • Cross-Cultural Issues in Information Systems Management and Implementation	University of British Columbia (Canada)
<b>WAGNER Christian</b> <i>Chair Professor</i>	• Decision Support Systems	• Virtual Community University of British Columbia (Canada)
<b>WEI Kwok Kee</b> <i>Chair Professor</i>	• Knowledge Management Systems • E-Commerce	• Human-Computer Interaction University of York (UK)
<b>ZHAO J Leon</b> <i>Chair Professor</i>	• Workflow Modeling and Design • Services Computing and Management	• Modeling, Simulation and Control of Complex Socio-Technical Systems University of California, Berkeley (USA)
<b>DAVISON Robert M</b> <i>Professor</i>	• Action Research • Virtual Knowledge Management	• Cross-Cultural Studies of Information Systems City University of Hong Kong (HK)
<b>LIAO Shaoyi Stephen</b> <i>Professor</i>	• Mobile Commerce	• Data Mining Aix-Marseille University (France)
<b>LOWRY Paul Benjamin</b> <i>Professor</i>	• Behavioral and Organizational Security and Privacy Issues • HCI and Decision Science	University of Arizona (USA)
<b>MA Jian</b> <i>Professor</i>	• Decision and Decision Support Systems • Research Social Networks	• Business Intelligence Asian Institute of Technology (Thailand)
<b>FANG Yulin<sup>1</sup></b> <i>Associate Professor</i>	• Knowledge Management and Innovation • Internet-Based Service Strategies	• IT-Driven Collaboration University of Western Ontario (Canada)
<b>FENG Juan<sup>2</sup></b> <i>Associate Professor</i>	• Economics of Information Systems • Online Review	• Pricing and Competition Pennsylvania State University (USA)
<b>KWOK Chi Wai Ron</b> <i>Associate Professor</i>	• Knowledge Management and Innovation • Internet-Based Service Strategies	• IT-Driven Collaboration City University of Hong Kong (HK)
<b>LAU Yiu Keung Raymond</b> <i>Associate Professor</i>	• Big Data Stream Analytics • Information Retrieval	• Social Media Analytics Queensland University of Technology (Australia)
<b>WANG Weiquan</b> <i>Associate Professor</i>	• Recommendation Agents • Affective, Social and Relational Computing in Online Communities • Online Information Privacy	University of British Columbia (Canada)
<b>CHEN Hailiang</b> <i>Assistant Professor</i>	• Social Media • Business Analytics	• Big Data • Economics of Information Systems Purdue University (USA)
<b>CHEUNG Terence CH</b> <i>Assistant Professor</i>	• Image/Information Retrieval • E-Learning, Mobile Learning, e-Portfolios	City University of Hong Kong (HK)
<b>GE Ling</b> <i>Assistant Professor</i>	• E-Business/Commerce • E-Healthcare	• Crowdfunding University of Texas at Austin (USA)
<b>KIM Keong Tae</b> <i>Assistant Professor</i>	• IT-Enabled Open Innovation (Crowdfunding/Crowdsourcing)	• Applied Microeconometrics University of Maryland (USA)
<b>KWON Juhee</b> <i>Assistant Professor</i>	• Healthcare • Economics of Information Systems	• Information Security Purdue University (USA)
<b>LEUNG Chung Man Alvin</b> <i>Assistant Professor</i>	• IT Business Value • Information Security	• Business Analytics University of Texas at Austin (USA)
<b>LI Xin</b> <i>Assistant Professor</i>	• Business Intelligence & Knowledge Discovery • Econometrics	• Social Network Analysis University of Arizona (USA)
<b>LIU Ben</b> <i>Assistant Professor</i>	• Judgment and Decision Making on the Internet • Psychology and Economics (aka Behavioral Economics)	University of Georgia (USA)
<b>PENG Chih Hung</b> <i>Assistant Professor</i>	• Team Decision Making • E-Commerce	• Organizational Innovation Washington State University (USA)
<b>SCHNEIDER Christoph</b> <i>Assistant Professor</i>	• Human-Computer Interaction	• Computer-Mediated Collaboration Washington State University (USA)
<b>SUH Ayoung</b> <i>Assistant Professor</i>	• Behavioral Modeling • Social Network Analysis	• Social Media • Virtual Collaboration Ewha Womans University (Korea)
<b>TONG Yu</b> <i>Assistant Professor</i>	• Organizational IS • IT-Enabled Collaboration	• Healthcare Information Systems National University of Singapore (Singapore)
<b>WANG Chong</b> <i>Assistant Professor</i>	• Economics of IS • Financial Information Technology	• Crowdsourcing • Privacy in Online Social Networks Hong Kong University of Science and Technology (HK)

<sup>1</sup> Winner of College of Business Research Excellence Award 2014

<sup>2</sup> Winner of College of Business Research Excellence Award 2013



# Department of Management



## MESSAGE from the HEAD

Prof Brian Keane BOYD

The Department of Management (MGT) currently has 26 regular full time faculty members who come from diverse and international backgrounds. With the expertise and professional contribution of our faculty members, the Department is also engaged in a range of research, mainly in Human Resources and International Business disciplines.

Currently, MGT offers two undergraduate programs comprising of Human Resources Management and International Business. Two master's level postgraduate programmes are also offered, which include Global Business Management and Organizational Management. PhD level research programs are also offered.

MGT believes that, ultimately, students are responsible for their own learning through hard work and dedication, with the help and guidance from teachers. Consequently, each faculty member expects students to come to class fully prepared, ready to discuss materials, and to participate in discussions. We believe in partnership learning with our students. MGT faculty members come from diverse countries. Many are well-known leaders in their fields of teaching, research and consulting. Our faculty members keeps abreast of student, employer, and community expectations in this fast changing economic, technological and political environment. We have a rich and dynamic combination of international and local experience which we bring to the classroom to prepare our students for the realities and challenges of business in the modern world.

Expect to find in MGT a faculty member who places high demands on students. Because we expect students to succeed, we will assist them as mentors, advisors and friends. We strive to create a caring yet challenging environment in which they will want to take on obligations, feel free to assert their rights, and thus be able to achieve their full and true potential. Studying at MGT is an experience we believe students will enjoy while they are here and cherish for the rest of their lives.

No. of faculty\*

26

No. of research degree students\*

3



Period  
January 2005 – July 2015

Amount of funding  
HK\$33.8 Million

No. of research grants  
105

\* As of Oct 2015

## REPRESENTATIVE PROJECTS

### 1 The Burden of Seeing You: Relationship Conflict, Depletion, and Interpersonal Harming and Helping Behaviors

This innovative project aims to address a very important aspect in our society. As we meet and interact with people every day, be it our family, friends, colleagues or strangers, the relationship between us is highly sensitive and dynamic. There may be positive and negative situations when questions of the nature of our relationship are raised. As conflict is inevitable in our lives, we may often ignore or underestimate the impact it has on our behavior and lives.

Through this project, the aim is to find out more about relationship conflicts at work which can severely compromise productivity levels along with employee's personal well-being, work attitudes and overall team effectiveness. Drawing on a multi-level model based on existing concepts and theories, this project is dedicated to examine these issues through a series of multimethod studies, combining laboratory experiments, longitudinal field surveys, and field experiments. The project will highlight the interpersonal consequences of relationship conflict, assisting organizations' efforts to confine its negative and promote its positive outcomes.

*The Department continues to produce quality research at a steady and stable pace. Looking at the recent figures, its faculty members published 57 articles in various journals, with 30% of them being ranked at high impact factors by the Journal Citation Reports. Furthermore, virtually all publications are SSCI & SCI listed. It is with confidence that MGT continues to create innovative research in the coming years with new breakthroughs and insights from its faculty members.*



## 2 Explaining Culturally Motivated Employee Resistance to Organizational Change When National Companies in Mainland China Globalize

With numerous opportunities for business expansion in the global market, an increasing number of Chinese-based business enterprises aspire to transform from national companies to multi-national corporations. Such transformation is accompanied by introduction of new organizational structures and business practices geared toward global market expansion and global talent attraction and retention. Hence it brings about new cultures that champion instrumental rationality and efficiency. From the perspective of senior management, such changes are inevitable. However, employees who have submerged in the customary practices in the local business culture may find the new culture foreign and prefer to maintain the status quo. They may view these changes as threats to their "normal" way of life in the local business culture. This is especially true for employees in many state enterprises in China that are undergoing rapid structural transformations to catch up with global competitions.

This research attempts to provide a nuanced understanding of the factors that contribute to culturally motivated employee resistance to organizational change from the cultural clash perspective. The findings will have important practical implications for managing organization change, particularly for national enterprises in mainland China.

## 3 Managerial Spillover Effects on Local Firms' Managerial Innovation and the Moderating Roles of Absorptive Capability and Local FDI Density

Multinational corporations play two key roles in implementing management innovations: inventing and implementing new management practices, and being involved in the diffusion of management innovations including the transfer of new management practices to other countries. However, management innovation is still under-researched. To fill in this gap, this proposed research investigates the effects of managerial spillover from multinational enterprises on management innovation of local Chinese firms as well as the moderating effects of absorptive capacity and the local FDI density.

## 4 Creativity as a (Double-Edged) Pragmatic Moral Sword

Although creativity is a truly desirable and often scarce commodity in organizations, its moral implications have not been fully explored. Thus, this project seeks to amend the research on creativity by taking a new approach to investigate the relationship between creativity and morality.

Because creativity, as a double-edged sword, may have different moral implications, this project also seeks to explore potential solutions to dampen its unintended negative effects on moral decisions. It suggests that employees' positive mood and organizations' value-based ethics programs will help reduce creativity's negative effects without inhibiting creativity. This is because with strong value-based ethical programs, happy employees are more sensitive to the negative emotions associated with unethical behavior. Thus, employees are more likely to use creativity to pursue good instead of bad courses when they are happy and when strong value-based ethics programs are in place. This project proposes three complementary experimental and field studies to test these propositions and explore the relationship between creativity and morality in organizations.



## EDITORIAL SERVICES AND RECOGNITION

MGT faculty members' research papers have been frequently published in various prestigious academic journals. Its faculty members also hold editorial positions (e.g., Associate, Consulting, or Guest Editors) in many major scholarly journals, including Journal of Management, Management and Organization Review, and Organizational Research Methods, as well as serve or have served on the editorial boards of top management journals such as Academy of Management Journal, Journal of International Business Studies, and Strategic Management Journal, among others. In addition, many of its faculty members serve as officers of professional societies, including Academy of Management, Strategic Management Society, International Association for Chinese Management Research, International Association for Cross-Cultural Psychology, Asia Academy of Management, and International Management Development Association.

Faculty members' contributions to top tier journals have gained international recognition leading to numerous accolades at international conferences. They include

- Best Paper Award: Asia Academy of Management, Academy of Management, Southern Management Association
- Best Reviewer Award: Academy of Management Journal, Management and Organization Review
- Carolyn Dester Best International Paper Award: Academy of Management
- IM Division Samsung Best Paper Award: Academy of Management
- Outstanding Reviewer Award: International Association for Chinese Management Research
- Outstanding Reviewer Award from BPS Division: Academy of Management



## MAJOR EXTERNAL GRANTS

2015

- GRF**
- The Burden of Seeing You: Relationship Conflict, Depletion, and Interpersonal Harming and Helping Behaviors
  - The Paradox of Punishment and Trust
  - Standing in the Customers Shoes: Joint Effects of Perspective Taking and Proactive Personality on Customer Service Performance

2014

- ESC**
- Creativity as a (Double-Edged) Pragmatic Moral Sword

2013

- ESC**
- Consequences of Supervisor Emotional Exhaustion: Abusive Supervision, Subordinate Deviance and Self-Monitoring
  - Police Incivility Associated with Suspect Aggression: A Multi-Level Investigation
- GRF**
- Communication Accommodation and Organizational Identity and Image: A Study of Hong Kong Firms' Organizational Legitimacy in Mainland China
  - Paradigm Development in Chinese Management Research: The Role of Research Methodology

ECS: Early Career Scheme Project Grant offered by University Grants Committee of the Hong Kong SAR Government  
GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government



## MAJOR RESEARCH PUBLICATIONS

- Aryee, S., Walumbwa, F. O., **Mondejar, R.**, & Chu, C.W.L. (forthcoming). Core self-evaluations and employee voice behavior: Test of a dual-motivational pathway. *Journal of Management*.
- Bergh, D.D. Aguinis, H., Heavey, C., Ketchen, D.J. **Boyd, B. K.** Su, P., Lau, P., & Joo, H. (forthcoming). Using meta-analytic structural equation modeling to advance strategic management research: Guidelines and an empirical demonstration via the strategic leadership – performance relationship. *Strategic Management Journal*.
- **Wang, L.**, & Murnighan, J. K. (forthcoming). How much does honesty cost? Small payments can motivate ethical behavior. *Management Science*.
- **Lam, C. K.**, Huang, X., & Chan, S. C. H. (2015). The threshold effect of participative leadership and the role of leader information sharing. *Academy of Management Journal*, 58(3), 836-855.
- Liu, W., Tangirala, S., Lam, W., **Chen, Z.**, Jia, R. T., & Huang, X. (2015). How and when peers' positive mood influence employees' voice. *Journal of Applied Psychology*, 100(3), 976-989.
- Liu, Y., Wang, M., Chang, C. H., Shi, J., Zhou, L., & **Shao, R.** (2015). Work-family conflict, emotional exhaustion, and displaced aggression toward others: The moderating role of workplace interpersonal conflict and perceived managerial family support. *Journal of Applied Psychology*, 100(3), 793-808.
- May, D. R., Chang, Y. K., & **Shao, R.** (2015). Does ethical membership matter? Moral identification and its organizational implications. *Journal of Applied Psychology*, 100(3), 681-694.
- **Ozer, M.**, & Zhang, W. (2015). The effects of geographic and network ties on exploitative and exploratory product innovation. *Strategic Management Journal*, 36(7), 1105-1114.
- Deng, H., & **Leung, K.** (2014). Contingent punishment as a double-edged sword: A dual-pathway model from a sense-making perspective. *Personnel Psychology*, 67(4), 951-980.
- Koh, P. S., **Qian, C.**, & Wang, H. (2014). The insurance value of corporate social performance: When do shareholders benefit from it? *Strategic Management Journal*, 35(10), 1464-1482.
- Marquis, C., & **Qian, C.** (2014). Stakeholder legitimacy and corporate social responsibility reporting in China. *Organization Science*, 25(1), 127-148.
- Rupp, D. E., **Shao, R.**, Jones, K. S., & Liao, H. (2014). The utility of a multifocal approach to the study of organizational justice: A meta-analytic investigation into the consideration of normative rules, moral accountability, bandwidth-fidelity, and social exchange. *Organizational Behavior and Human Decision Processes*, 123(2), 159-185.
- **Shao, R.**, & Skarlicki, D. P. (2014). Service employees' reactions to mistreatment by customers: A comparison of North America and East Asia. *Personnel Psychology*, 67(1), 23-59.
- **Weng, H. C. D.**, & Lin, Z. (2014). Beyond CEO tenure: The effect of CEO newness on strategic changes. *Journal of Management*, 40(7), 2009-2032.
- Yiu, D. W., Xu, Y., & **Wan, W. P.** (2014). The deterrence effects of vicarious punishments on corporate financial fraud. *Organization Science*, 25(5), 1549-1571.
- Lai, X., Li, F., & **Leung, K.** (2013). A Monte Carlo study of the effects of common method variance on significance testing and parameter bias in hierarchical linear modeling. *Organizational Research Methods*, 16(2), 243-269.
- Lee, S. H., & **Weng, D. H.** (2013). Does bribery in the home country promote or dampen firm exports?. *Strategic Management Journal*, 34(12), 1472-1487.
- **Qian, C.**, Cao, Q., & Takeuchi, R. (2013). TMT diversity, conflict, and organizational innovation: The moderating roles of environment. *Strategic Management Journal*, 34(1), 110-120.
- Tse, H. H. M., **Lam, C. K.**, Lawrence, S. A., & Huang, X. (2013). When my supervisor dislikes you more than me: The effect of dissimilarity in leader-member exchange on coworkers' interpersonal emotion and perceived help. *Journal of Applied Psychology*, 98(6), 974-988.



## OUTSTANDING PhD GRADUATES

- CHEN Tingting, Assistant Professor  
Lingnan University, HK
- LI Fangjun, Associate Professor  
Jinan University, China
- LI Haiyang, Professor  
Rice University, USA
- LU Lin Linda, Associate Professor  
Shanghai Jiao Tong University, China
- WANG Jie Fifi, Assistant Professor  
University of Nottingham Ningbo China, China



### CONTACT US

Department of Management

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## RESEARCH FACULTY LIST

NAME	RESEARCH FOCUS	UNIVERSITY (PhD)
<b>BOYD Brian Keane</b> <i>Head, Chair Professor</i>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Research Methods</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Management</li> </ul> University of Southern California (USA)
<b>SUE-CHAN Christina</b> <i>Associate Head, Associate Professor</i>	<ul style="list-style-type: none"> <li>• Work Engagement</li> <li>• Leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Coaching</li> <li>• Motivation</li> </ul> University of Toronto (Canada)
<b>CHEN Ziguang</b> <i>Professor</i>	<ul style="list-style-type: none"> <li>• Organizational Behavior</li> <li>• Proactive Behavior</li> </ul>	<ul style="list-style-type: none"> <li>• Cross Cultural HRM</li> </ul> Nagoya University (Japan)
<b>MARTINSONS Maris</b> <i>Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Management and Organizational Change</li> <li>• Cross Cultural Management</li> </ul>	<ul style="list-style-type: none"> <li>• Information Systems</li> <li>• International Business</li> </ul> University of Warwick (UK)
<b>OZER Muammer</b> <i>Professor</i>	<ul style="list-style-type: none"> <li>• Technology Management</li> <li>• Multinational Business</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Management</li> <li>• Innovation Management</li> </ul> University of Pittsburgh (USA)
<b>WAN William</b> <i>Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Management</li> <li>• Entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• International Business</li> <li>• Research Methods</li> </ul> Texas A&M University (USA)
<b>YANG Haibin<sup>1</sup></b> <i>Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Networks</li> <li>• Entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Mergers and Acquisitions</li> <li>• Competition in Transition Economy</li> </ul> University of Texas at Dallas (USA)
<b>CHAN Andrew</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Management</li> <li>• Knowledge Management</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational Theory</li> </ul> Lancaster University (UK)
<b>FU Ho Ying</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Culture and Cognition</li> <li>• Negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict Resolution</li> <li>• Leadership and Multiculturalism</li> </ul> University of Hong Kong (HK)
<b>HEMPEL Paul Steven</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Global and Strategic HRM</li> <li>• Creativity</li> <li>• Manage of Knowledge and Professional Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Technology in HRM</li> </ul> Rutgers University (USA)
<b>LAM Catherine K</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Job Stress and Performance</li> <li>• Workplace Emotions and Emotional Labor</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Teamwork</li> </ul> Hong Kong Polytechnic University (HK)
<b>MONDEJAR Reuben</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Entrepreneurship</li> <li>• International Business</li> </ul>	<ul style="list-style-type: none"> <li>• Comparative Management</li> <li>• Creativity and Innovation</li> </ul> University of Navarra (Spain)
<b>PANG Yuet Ngor Mary</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Sociology of Work</li> <li>• Occupational Choice</li> </ul>	<ul style="list-style-type: none"> <li>• HRM</li> <li>• Career Development</li> </ul> University of Warwick (UK)
<b>QIAN Cuili</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• International Business</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder Management</li> </ul> Hong Kong University of Science and Technology (HK)
<b>YANG Jane</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Multilevel Relationships</li> <li>• Professional Client Relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service and Emotions</li> </ul> Louisiana State University (USA)
<b>YU Eddie</b> <i>Associate Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Management</li> <li>• Management Consultancy</li> </ul>	<ul style="list-style-type: none"> <li>• Social Innovation and Entrepreneurship</li> </ul> University of Wollongong (Australia)
<b>CHANDRA Yanto</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Social Innovation</li> <li>• Social Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Entrepreneurship</li> </ul> University of New South Wales (Australia)
<b>LIAW Chyayi Emily</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• International Business</li> <li>• Service Sector</li> </ul>	<ul style="list-style-type: none"> <li>• Branding</li> </ul> University of Western Ontario (Canada)
<b>MAK Kwai Ming Simon</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Management</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> </ul> University of Hong Kong (HK)
<b>MOK Aurelia</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Social Decision Making</li> </ul>	<ul style="list-style-type: none"> <li>• Prosocial Behavior</li> </ul> Columbia University (USA)
<b>SHAO Ruodan</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Organizational Justice</li> <li>• Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility</li> </ul> University of British Columbia (Canada)
<b>WANG Chang Linda</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Organizational Behavior</li> </ul>	<ul style="list-style-type: none"> <li>• Team Dynamics</li> <li>• Research Methods</li> </ul> Michigan State University (USA)
<b>WANG Long</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Decision Making</li> <li>• Trust</li> </ul>	<ul style="list-style-type: none"> <li>• Business Ethics</li> </ul> Northwestern University (USA)
<b>WENG David H</b> <i>Assistant Professor</i>	<ul style="list-style-type: none"> <li>• Strategic Leadership</li> <li>• International Management</li> </ul>	<ul style="list-style-type: none"> <li>• Alliance and Networks</li> </ul> University of Texas at Dallas (USA)

<sup>1</sup> Winner of College of Business Research Excellence Award 2011





# Department of Management Sciences



## MESSAGE from the HEAD

*Prof Frank CHEN*

The Department of Management Sciences (MS) has 28 regular faculty members with a wide range of research expertise in the fields of Operations Management and Statistics. MS offers two undergraduate majors (Business Analysis and Business Operations Management), two taught master's programs (Quantitative Analysis for Business and Supply Chain and Operations Management) and a PhD research program.

The Department is ranked among the top in Asia-Pacific region and 25th in the world according to the latest UTD Business School Rankings. MS has a long history of collaborating with industries in the search for relevant and useful solutions to real life business problems, exemplified by the commonly cited Centa-City Index and Hong Kong Consumer Confidence Index. The Department aims to maintain its strength in supply chain management and risk management, and at the meantime focus on building expertise in healthcare management and analytics. We also exert great effort in preparing PhD students to excel in top business schools.

No. of faculty\*

28

No. of research  
degree students\*

29

Period  
January 2005 - July 2015

Amount of funding  
HK\$53 Million

No. of research grants  
147

\*As of Oct 2015

## RESEARCH UNITS

### ① Statistical Consulting Unit

The Unit provides statistical consultation services for all academics, university central administration units, and research students in the University. It also provides advisory services on research strategy, methodology, and statistical computing; consultations on experimental and survey design; and suggestions to improve statistical analysis. It conducts fieldwork for survey research and statistical analysis, and develops ad hoc analysis programs for clients.

### ② Energy and Environmental Policy Research Unit

This is the first research unit dedicated to energy and environmental policy analysis in Hong Kong. Its mission is to foster academic, industrial, and governmental collaboration in energy and environmentally related research activities, particularly in Hong Kong and mainland China. It aims to promote rigorous and objective empirical research related to energy and environmental policy to support decision-making by government and industry. The results of its research are disseminated through publications, seminars, forums, and other public outreach activities.

### ③ Forecasting Science Research Unit

This Unit supports the development of international capability in the area of forecasting science. Focusing on the theoretical and methodological development in resolving complex forecasting problems, it aims to enhance business decision-making and organizational competitiveness, particularly in the Asian context. An interdisciplinary applied research approach is driven by the kinds of specific forecasting problems that businesses and organizations currently face. Its work draws on research from across the disciplines of management sciences, economics, finance and information systems. Its researchers address problems in areas such as economic forecasting and early warning for crisis, sector forecasting and demand and price forecasting for strategically important resources including crude oil, gas and coal etc.



## REPRESENTATIVE PROJECTS

### 1 Delivering 21st Century Healthcare in Hong Kong - Building a Quality-and-Efficiency Driven System

Although Hong Kong has one of the best health systems in the world, it is facing great challenges brought by two key concerns: an aging population and epidemiological changes. This project, with funding of HK\$ 20.4 million, aims to study these issues in collaboration with business and health system academics from six local and international universities. It is the first of its kind in adopting Business Services Innovation as an approach in studying health related issues.

The project's two main objectives are:

- To develop a "better-care-at-affordable-cost" healthcare delivery system in Hong Kong, through collaboration with the healthcare sector. Tailor-made decision support models and prototype systems with flexibility in business management will be delivered to suit the unique needs of health service provision in the public sector and to better improve efficiency with finite resources;
- To set up a Healthcare Operations Management (HOM) field in Hong Kong and create a strong HOM research community.



### 2 Centa-City Index: a residential property price index in Hong Kong

Property equity has traditionally dominated the wealth portfolio of a typical middle-class Hong Kong resident and the real estate market is a pillar of the Hong Kong economy. In 1998 MS collaborated with Centaline Agency Ltd. to develop the Centa-City Index (CCI): a residential property price index in Hong Kong. CCI, the first of its kind, applies sophisticated statistical techniques to adjust the quality of dwellings by developing an hedonic price model for each of the constituent estates in Hong Kong. Since its inauguration in 1999, CCI has been widely and regularly quoted by media, and extensively used as a leading indicator in the analysis of housing markets by both Government and commercial organizations.

### 3 Blood Platelet Inventory Control for a Blood Center with Limited Supply

This project is concerned with the problem of production/inventory control of platelets in a blood center, which processes whole blood into blood components. Good management of platelets is expected to provide adequate supply for medical usage at a reasonable cost. An aging population is stimulating the demand and reducing the supply and therefore, platelets management faces increasing challenges. It works with Hong Kong Red Cross Blood Transfusion Service to study the platelet production/inventory control problem for a blood center. It translates the problem into a dynamic programming model. The model is challenging to solve due to its multidimensional state space coupled with uncertain supply constraints and two demand classes. It will study sequentially two cases relating to the problem, namely, without or with supply constraints. It will explore the structural properties of the problem and characterize the optimal solutions. It anticipates the optimal solutions will be state-dependent and very complicated. For practical implementation, the project will propose efficient and effective heuristic policies that are simple but nearly optimal.



### 4 Safety, Reliability, and Disruption Management of High Speed Rail and Metro Systems

Hong Kong has a reputation for innovation, dependability, efficiency and accountability in business services. The project seeks to extend Hong Kong's competitive advantage by establishing a center of expertise in the safety, reliability, and efficient management of complex network systems. We will focus specifically on high-speed rail (HSR) and urban (metro) train systems. It is anticipated that project results will be transportable to other complex network systems.

This world-class team has expertise in the rapidly developing interconnected fields of remote sensing and monitoring, real-time probabilistic and statistical analysis of large, high-velocity data streams, and decision-theoretic techniques for economical operation of safe, reliable engineering systems. Research focuses on ensuring the safety and reliability of HSR and metro engineering systems; and the safe and efficient management of passenger capacity, demand, scheduling and pricing. The project also prescribes decision processes for disaster management and rescheduling in the event of disruptions.



## MAJOR EXTERNAL GRANTS

2015

- GRF**
- Blood Platelet Inventory Control for a Blood Center with Limited Supply
  - K-Approximate Convexity and Its Applications
  - Managing Capacitated Multi-Echelon Supply Chains

2014

- GRF**
- Just-in-Time, Cost Uncertainty and Strategic Customers
  - Managing Perishable Food Processing Supply Chains
  - On a Random Yield Problem with Non-Zero Lead Times
  - An Optimal Stopping Approach to Portfolio Risk Measurement
  - Quantile Regression Analysis with Missing and Length-Biased Data
  - Strategic Horizontal Outsourcing
  - Strategic Intertemporal Pricing with Heterogeneous Risk Attitudes for Efficient Product Evaluation, Learning and Adoption
  - Transportation Service Procurement with Total Quantity Discounts

- NSFC**
- 面向經濟、社會和環境協調發展的物流系統基礎理論 (Theoretical Foundations of Contemporary Logistics Management for Harmonized Development of Economy, Society and Environment)

- TBRS**
- Delivering 21st Century Healthcare in Hong Kong - Building a Quality-and-Efficiency Driven System

2013

- GRF**
- A Change-of-Variable Approach to Conditional Monte Carlo
  - Distribution Requirement Planning and Inventory Policies for a Distribution Supply Chain with a Minimum Order Quantity
  - The Impact of Imitative Entry on New Product Innovation and Dynamic Pricing in the Presence of Strategic Customers
  - An Operations Management Approach to Mitigating the Labor Shortage Problem
  - The Role of Customer Screening and Waiting in Inventory Models with Dynamic Pricing

GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government

NSFC: National Natural Science Foundation of China

TBRS: Theme-based Research Scheme Project Grant offered by the University Grants Committee of the Hong Kong SAR Government

## MAJOR RESEARCH PUBLICATIONS

- Dong, M. C., Liu, Z., **Yu, Y.**, & Zheng, J. H. (forthcoming). Opportunism in distribution networks: The role of network embeddedness and dependence. *Production and Operations Management*.
- Kouvelis, P., **Xiao, Y.**, & Yang, N. (forthcoming). PBM competition in pharmaceutical supply chain: Formulary design and drug pricing. *Manufacturing & Service Operations Management*.
- Yuan, N., Chua, G. A., **Liu, X.**, & **Chen, Y.** (forthcoming). Unsold versus unbought commitment: Minimum total commitment contracts with nonzero setup costs. *Production and Operations Management*.
- Chen, X., **Wan, A. T. K.**, & Zhou, Y. (2015). Efficient quantile regression analysis with missing observations. *Journal of the American Statistical Association*, 110(510), 723-741.
- **Hong, L. J.**, Luo J., & Nelson, B. L. (2015). Chance constrained selection of the best. *INFORMS Journal on Computing*, 27(2), 317-334.
- Hsu, V., Xiao, W., & **Hu, Q.** (2015). Manufacturing capacity decisions with demand uncertainty and tax cross-crediting. *Manufacturing, Services and Operations Management*, 17(3), 383-398.
- **Liu, G.** (2015). Simulation risk contributions of credit portfolios. *Operations Research*, 63(1), 104-121.
- Luo J., **Hong, L. J.**, Nelson, B. L., & Wu, Y. (2015). Fully sequential procedures for large-scale ranking-and-selection problems in parallel computing environments. *Operations Research*, 63(5), 1177-1194.
- **Pang, Z.**, Berman, O., & Hu, M. (2015). Up then down: Bid-price trends in revenue management. *Production and Operations Management*, 24(7), 1135-1147.
- **Yu, Y.**, Benjaafar, S., & Gerchak, Y. (2015). Capacity sharing and cost allocation among independent firms with congestion. *Production and Operations Management*, 24(8), 1285-1310.
- Chen, X., **Shum, S.**, & Simchi-Levi, D. (2014). Stable and coordinating contracts for a supply chain with multiple risk-averse suppliers. *Production and Operations Management*, 23(3), 379-392.
- Huang, T., & **Yu, Y.** (2014). Sell Probabilistic goods? A behavioral explanation for opaque selling. *Marketing Science*, 33(5), 743-759.
- Gao, L., Li, Z., & **Shou, B.** (2014). Information acquisition and voluntary disclosure in an export-processing system. *Production and Operations Management*, 23(5), 802-816.
- **Hong, L. J.**, Hu, Z., & Zhang, L. (2014). Conditional value-at-risk approximation to value-at-risk constrained programs: A remedy via Monte Carlo. *INFORMS Journal on Computing*, 26(2), 385-400.
- **Hong, L. J.**, Juneja, S., & Luo, J. (2014). Estimating sensitivities of portfolio credit risk using Monte Carlo. *INFORMS Journal on Computing*, 26(4), 848-865.
- **Lu, Y.**, **Chen, Y.**, Song, M., & Yan, X. (2014). Optimal pricing and inventory control policy with quantity-based price differentiation. *Operations Research*, 62(3), 512-523.
- **Lu, Y.**, & Song, M. (2014). Inventory control with a fixed cost and a piece-wise linear convex cost. *Production and Operations Management*, 23(11), 1966-1984.
- Sun, L., **Hong, L. J.**, & Hu, Z. (2014). Balancing exploitation and exploration in discrete optimization via simulation through a Gaussian process-based search. *Operations Research*, 62(6), 1416-1438.
- Wang, H. F., Liang, X. Y., Sethi, S., & **Yan, H.** (2014). Inventory commitment and prioritized backlogging clearance with alternative delivery lead times. *Production and Operations Management*, 23(7), 1227-1242.
- Yang, Y., **Chen, Y.**, & Zhou, Y. (2014). Coordinating inventory control and pricing strategies under batch ordering. *Operations Research*, 62(1), 25-34.
- Chang, K. H., **Hong, L. J.**, & Wan, H. (2013). Stochastic trust-region response-surface method (STRONG) – A new response surface framework for simulation optimization. *INFORMS Journal on Computing*, 25(2), 230-243.
- Chen, X., Hu, P., & **He, S.** (2013). Preservation of supermodularity in parametric optimization problems with nonlattice structures. *Operations Research*, 61(5), 1166-1173.
- **Chen, Y.**, Xue, W., & Yang, J. (2013). Optimal inventory policy in the presence of a long-term supplier and a spot market. *Operations Research*, 61(1), 88-97.
- **He, Y.**, Dyer, J. S., & Butler, J. C. (2013). On the axiomatization of the satiation and habit formation utility models. *Operations Research*, 61(6), 1399-1410.
- Liu, Q., & **Shum, S.** (2013). Pricing and capacity rationing with customer disappointment aversion. *Production and Operations Management*, 22(5), 1269-1286.
- **Lu, Y.**, & Simchi-Levi, D. (2013). On the unimodality of the profit function of the pricing newsvendor. *Production and Operations Management*, 22(3), 615-625.
- Xu, J., **Hong, L. J.**, & Nelson, B. (2013). An adaptive hyperbox algorithm for high-dimensional discrete optimization via simulation problems. *INFORMS Journal on Computing*, 25(1), 133-146.
- Zhang, D. F., Wei, L. J., **Leung, S. C. H.**, & Chen, Q. S. (2013). A binary search heuristic algorithm based on randomized local search for the rectangular strip-packing problem. *INFORMS Journal on Computing*, 25(2), 332-345.
- Zhang, X., **Wan, A. T. K.**, & Zou, G. H. (2013). Model averaging by jackknife criterion in models with dependent data. *Journal of Econometrics*, 174(2), 82-94.



MS faculty members' research papers have been frequently published in various prestigious business academic journals, including *Management Science*, *Operations Research*, *Manufacturing and Service Operations Management*, *Journal of Operations Management*, and *Production and Operations Management*.

## EDITORIAL SERVICES AND RECOGNITION

Faculty members of the Department of Management Sciences have actively published in top-tier journals in the field over the past few years. As a recognition of their excellent research work by the community, MS faculty members have received numerous distinguished scholarships and awards, including Chang Jiang Scholar Chair Professorship from the Ministry of Education of China, Early Career Awards from the Research Grants Council of Hong Kong, best paper awards from various professional organizations such as the Society of Production and Operations Management, the Institute of Industrial Engineers and INFORMS Simulation Society, and awards of paper competitions organized by various societies such as the INFORMS Junior Faculty Interest Group. In addition to the scholarships and awards, MS faculty members have also been actively involved in professional service to the community, and served on editorial boards of flagship journals in the field, such as *Operations Research* and *Production and Operations Management*.

## OUTSTANDING PhD GRADUATES

- BAO Helen, Lecturer, University of Cambridge, UK
- LAI Fujun, McCarty Distinguished Professor of Decision Sciences, University of Southern Mississippi, USA
- WANG Qiang, Professor, University of International Business and Economics, China
- XIANG Liming, Associate Professor, Nanyang Technological University, Singapore
- YANG Yongheng, Professor and Associate Dean of School of Public Policy and Management, Tsinghua University, China
- ZHANG Guoqing, Professor, University of Windsor, Canada



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# RESEARCH FACULTY LIST

NAME	RESEARCH FOCUS	UNIVERSITY (PhD)	
<b>CHEN Youhua Frank</b> Head, Professor	• Inventory • Models Risks in Supply Chains	• Emerging Issues in Supply Chains • Healthcare Management	University of Toronto (Canada)
<b>TSO Kwok Fai Geoffrey</b> Associate Head, Associate Professor	• Statistical Modeling • Survey Methods	• Market Research	University of Toronto (Canada)
<b>HONG Jeff</b> Chair Professor	• Stochastic Modeling • Stochastic Optimization and Stochastic Simulation	• Business and Financial Analytics • Financial Risk Management • Healthcare Management	Northwestern University (USA)
<b>LAI Kin Keung</b> Chair Professor	• Supply Chain Management • Computational Intelligence	• Operations Management • Risk Analysis and Financial Engineering	Michigan State University (USA)
<b>SINGPURWALLA Nozer Darabsha</b> Chair Professor	• Reliability Theory • Bayesian Inference	• Applied Probability • Foundations of Inference	New York University (USA)
<b>YAN Houmin</b> Chair Professor	• Behavior Models • Contracts and Risks Analysis	• Supply Chain Management	University of Toronto (Canada)
<b>CHIANG Wei Yu Kevin</b> Professor	• Supply Chain • Management e-Commerce/ E-business Strategy	• Operations/Marketing Interface • Marketing Science • Dynamic Pricing	University of Illinois at Urbana-Champaign (USA)
<b>LIM Leong Chye Andrew</b> Professor	• RFID Hardware and Software Systems • Business Kpis, Analytics and Process Optimization	• Applied Optimization • Large Scale Optimization and Meta-Heuristics	University of Minnesota (USA)
<b>WAN Tze Kin Alan</b> Professor	• Model Averaging and Selection • Varying-Coefficient Semi-Parametric Models	• Missing and Censored Data • Quantile Regression	University of Canterbury (New Zealand)
<b>YAU Kai Wing Kelvin</b> Professor	• Finite Mixture Models • Generalized Linear Mixed Models • Multivariate Survival Analysis	• Robust Estimation • Statistical Modeling • Zero-Inflated Poisson Models	Australian National University (Australia)
<b>CHUNG Siu Wai William</b> Associate Professor	• Large-Scale Modeling • Decomposition Methods	• Equilibrium Modeling in Energy Market and Transportation	University of Waterloo (Canada)
<b>HAO Gang</b> Associate Professor	• Multiple Criteria Decision Making • Neural Networks • Logistics and Supply Chain Management	• Fraud Management and Enterprise Risk Management	University of Pittsburgh (USA)
<b>LAM Kim Fung Bruce</b> Associate Professor	• Discriminant Analysis • Multi-Criteria Decision Making	• Linear Programming • Data Envelopment Analysis	Simon Fraser University (Canada)
<b>LEUNG Kit Nam Francis</b> Associate Professor	• Maintenance • Reliability	• Warranty • Inventory/Production	University of Salford (UK)
<b>LI Yanzhi</b> Associate Professor	• (Green) Operations and Supply Chain Management • Perishable Inventory Management	• Supply Chain Finance • Planning and Scheduling	Hong Kong University of Science and Technology (HK)
<b>LIN Ka Yuk Carrie</b> Associate Professor	• Scheduling • Health Care Applications • Operations Planning	• Optimization • Simulation	University of Birmingham (UK)
<b>LIU Guangwu</b> Associate Professor	• Financial Engineering and Risk Management	• Stochastic Simulation	Hong Kong University of Science and Technology (HK)
<b>LU Ye<sup>1</sup></b> Associate Professor	• Operations Management	• Financial Engineering	Massachusetts Institute of Technology (USA)
<b>SHUM Stephen Wan Hang</b> Associate Professor	• Revenue Management • Supply Chain Management	• Operations-Marketing Interface	Massachusetts Institute of Technology (USA)
<b>TSE Siu Keung</b> Associate Professor	• Statistical Quality Control and Design	• Reliability	University of Wisconsin-Madison (USA)
<b>YEUNG Miu Han Iris</b> Associate Professor	• Time Series Analysis	• Multivariate Analysis	University of Kent at Canterbury (UK)
<b>HOU NG Kit Yee Teresa</b> Assistant Professor	• Design of Experiments • Statistics in Health Sciences	• Official Statistics • Marketing Research	University of Calgary (Canada)*
<b>HU Qiaohai</b> Assistant Professor	• Operations Management • Healthcare Product Supply Chain • Operations and Marketing	• Interfaces Research between Operations and Finance	Case Western Reserve University (USA)
<b>LEUNG Ngai Hang Zachary</b> Assistant Professor	• Applying Modeling • Optimization Techniques to Tackle Challenging Real-World Problems		Massachusetts Institute of Technology (USA)
<b>NG Cheuk Key</b> Assistant Professor	• Applied Statistics • Forecasting	• Ranking and Selection	University of Hong Kong (HK)
<b>SHOU Biying</b> Assistant Professor	• Operations and Supply Chain Management • Operations and Marketing Interface	• Network Economics	Northwestern University (USA)
<b>XIAO Yixuan</b> Assistant Professor	• Operations Management • Pharmaceutical Supply Chain • Revenue Management	• Risk Management • Interface of Operations and Marketing	Washington University in St. Louis (USA)
<b>YU Yimin</b> Assistant Professor	• Supply Chain Management • Inventory Theory • Revenue Management	• Interface of Operations Management and Marketing	University of Minnesota (USA)
<b>YUEN Hak Keung</b> Assistant Professor	• Data Mining Applications	• Survival Analysis	University of Surrey (UK)

<sup>1</sup> Winner of College of Business Research Excellence Award 2015

\* Master's Degree



# Department of Marketing

## MESSAGE from the HEAD

Prof Julie LI

The Department of Marketing (MKT) has a team of capable and diligent researchers, and many of them are world-renowned scholars. Our focus is on doing rigorous research on important marketing/business issues in China. Our research papers are published in leading academic and professional international journals such as the Journal of Marketing, Journal of Marketing Research, and Journal of Consumer Research.

Our faculty members have been extensively involved in the professional field as editorial board members, external reviewers, and guest editors. For example, several professors in our Department have served as editors or guest editors for the Journal of Operations Management, the Journal of Business Research, the Journal of Industrial Marketing Management and the Asian Journal of Business Research, and our professors serve as editorial board members for numerous journals in the field such as Strategic Management Journal, Asia Pacific Journal of Management, Journal of Advertising, and Journal of Marketing Science.

Our research has had a great deal of influence in academia. The total citation count from Scopus for our 22 full-time academic staff in 2013-2014 was 6,449, with an average of 293 citations per academic staff member. This rate of citation and increase shows that our staff has achieved very significant influence in the business field.



No. of faculty\*

28

No. of research  
degree students\*

15



Period  
January 2005 - July 2015

Amount of funding  
HK\$37.7 Million

No. of research grants  
111

\* As of Oct 2015

## REPRESENTATIVE PROJECTS

### ① Consumption in the Context of Positive and Negative Social Interactions

The aim of this project is to conceptually and empirically explore the consumption consequences of different relationships. Social interactions have both positive and negative aspects. While it has been largely found that positive relationships led people to choose more similar products, it is much less unclear how negative relationships influence product choices. It is possible that people with negative ties (e.g., opponents) tend to choose different rather than similar products. However, consumption patterns can be further complicated by product type. Even for individuals with positive ties, their choices of some products may not converge.

It plans to develop more accurate conceptualizations of negative relationships and examine the distinct effects of different types of such relationships. Empirically, it proposes to examine the questions using a novel dataset from an online virtual world, where all the relationships and consequences (e.g., consumption) have been objectively measured and reported by a computer system. The findings will help marketers to refine their product diffusion strategies, determine their desired levels of customization, and optimize product variety.

*MKT faculty members' research papers have been published in a wide range of top-tier academic journals, including Journal of Marketing Research, Journal of Marketing, Journal of International Business Studies, Academy of Management Journal, Strategic Management Journal, Information Systems Research and Production and Operations Management.*



## 2 The Confluence of Exchange Hazards and Institutional Forces on Opportunism in an Emerging Market

Marketing channels literature has paid limited attention to institutional environments that constrain buyer-supplier exchanges, though such institutions are fundamental determinants of transaction costs. Drawing on transaction cost economics and institutional theory, this research examines the confluence of institutional and efficiency views to assess how institutional forces restrain the impact of exchange hazards, i.e. transaction-specific assets (TSA) and performance ambiguity, on channel opportunism. This research proposes that the positive effect of TSA on opportunism is attenuated more by legal effectiveness than by network importance. The positive effect of performance ambiguity on opportunism is attenuated more by network importance than by legal effectiveness. In addition, this research proposes that opportunism has a positive effect on channel disruption and that opportunism has a negative effect on channel members' knowledge co-creation. This research enriches extant efficiency-based marketing channels literature and demonstrates the importance of integrating macro, legitimacy-based institutional factors with micro features of economic exchanges.



## 3 How can I Trust You? Trust Ambivalence, and Governance Complexity in Interorganizational Relationships

This project explores dependence imbalance as the main driving factor of trust ambivalence. It argues that as dependence deepens, the more dependent organization becomes less concerned about its partner's competence as the partner possesses the capabilities and resources necessary to realize its desired goals. Conversely, a firm becomes more concerned about its partner's goodwill when the partner's power and behavior are outside its purview and control. Thus, trust ambivalence arises from an unbalanced structure of firm dependence.

## EDITORIAL SERVICES AND RECOGNITION

Faculty members of MKT have frequently published in top-tier journals in the field over the past few years. As a recognition of their devotion to high-quality research work, MKT faculty members have received a great number of renowned scholarships and awards, including Chang Jiang Scholar Chair Professorship from the Ministry of Education of China, Early Career Awards from Research Grants Council of Hong Kong, best paper awards from various professional organizations, such as AMA Summer Marketing Educators' Conference, Journal of Service Marketing, Decision Science Institute and awards of paper competitions organized by prestigious publishers such as Emerald Literati Network, Emerald Publisher, McGraw-Hill Irwin. In addition to the scholarships and awards, MKT faculty members have been actively providing professional service to the community by serving as guest editors of Journal of Operations Management and Journal of Business Research and on editorial boards of prestigious journals, such as Journal of Operations Management, Industrial Marketing Management, and Journal of Business Research.

## MAJOR EXTERNAL GRANTS

2015	<p><b>ECS</b> ■ Do Mobile Messaging Apps Decrease the Revenue of Wireless Carriers?</p> <p><b>GRF</b> ■ Being Secure while Being Dependent: Dependence Balancing Strategies for Weaker Partners in Channel Relationships</p> <p>■ The Confluence of Exchange Hazards and Institutional Forces on Opportunism in an Emerging Market</p> <p>■ The Impact of Environmental Uncertainty on Corporate Philanthropy: Evidence from a Transition Economy</p> <p>■ Knowledge Co-Creation in Marketing Channel</p> <p>■ Unnatural Relationship Dissolution in Franchise Relationships: A Dual-Agency Perspective</p>
2014	<p><b>GRF</b> ■ Consumption in the Context of Positive and Negative Social Interactions</p> <p>■ How Can I Trust You? Trust Ambivalence and Governance Complexity in Interorganizational Relationships</p> <p>■ A Longitudinal Examination of the Roles of Project Designs and Social Engagement in a Dynamic Crowdfunding Process</p> <p>■ Managerial Ties, Knowledge Acquisition, and Institutional Environment</p> <p>■ "Too Hurry to Decide": A "Big Data" Investigation of Antecedents and Consequences of Bidder Decision Quality in Fast Live Auctions</p> <p><b>NSFC</b> ■ 不合作事件後供應鏈成員間關係修復：治理機制的影響及依賴結構和感知公平的調節作用—城大配套 (Inter-Firm Relationship Repair after Non-cooperative Incidents: The Effects of Governance Mechanisms, Dependence and Justice)</p>
2013	<p><b>ECS</b> ■ Does Thinking "Outside of the Box" Make People Feel "Full"? The Influence of Consumer Creativity on Satiation for Unhealthy Foods</p> <p>■ Marketing Assets, Marketing Actions and Firms' Response Strategies to Exogenous Shocks</p> <p><b>GRF</b> ■ Do Better-than-Fair Rewards Pay Off? An Examination of Distributors' Responses to Favorably Unfair Rewards</p> <p>■ An Examination of Trust Repair upon Supply Chain Disruptions: The Role of Organizational Justice</p> <p>■ Exploring Interorganizational Guanxi: A Dyadic, Longitudinal Study of Channel Management in China</p>

ECS: Early Career Scheme Project Grant offered by University Grants Committee of the Hong Kong SAR Government  
 GRF: General Research Fund offered by University Grants Committee of the Hong Kong SAR Government  
 NSFC: National Natural Science Foundation of China

## OUTSTANDING PhD GRADUATES

- JIA Fang Flora, Assistant Professor, Shenzhen University, China
- XIE Tingting, Assistant Professor, Hang Seng Management College, HK
- LI Fangrong, Lecturer, Xi'an Jiaotong-Liverpool University, China
- ZHONG Weiguo, Assistant Professor, Peking University, China
- QIN Yau, Assistant Professor, Macau University of Science and Technology, Macau



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## MAJOR RESEARCH PUBLICATIONS

- **Bai, X.**, Sheng, S., & **Li, J. J.** (forthcoming). Contract governance and buyer-supplier conflict: The moderating role of institutions. *Journal of Operations Management*.
- **Chen, L. W.**, Gilbert, S., & Xia Y. (forthcoming). Product line extensions and technology licensing with a strategic supplier. *Production and Operations Management*.
- Poppo, L., Zhou, K., & **Li, J. J.** (forthcoming). When can you trust "trust"? Calculative trust, relational trust, and supplier performance. *Strategic Management Journal*.
- **Yang, H.**, Zheng, Y., & Zaheer, A. (2015). Asymmetric learning capabilities and stock market returns. *Academy of Management Journal*, 58(2), 356-374.
- **Dong, M. C.**, Liu, Z., Yu, Y., & **Zheng, J. H.** (2014). Opportunism in distribution networks: The role of network embeddedness and dependence. *Production and Operations Management*, 24(10), 1657-1670.
- Joy, A., **Wang, J. J.**, Chan, T. S., Sherry, J. F., & Cui, G. (2014). M (Art) worlds: Consumer perceptions of how luxury brand stores become art institutions. *Journal of Retailing*, 90(3), 347-364.
- Lurie, N. H., & **Wen, N.** (2014). Simple decision aids and consumer decision making. *Journal of Retailing*, 90(4), 511-523.
- Wan, W. W., **Luk, C. L.**, & Chow, C. W. (2014). Consumer responses to sexual advertising: The intersection of modernization, evolution, and international marketing. *Journal of International Business Studies*, 45(6), 751-782.
- Wang, Q., Craighead, C. W., & **Li, J. J.** (2014). Justice served: Mitigating damaged trust stemming from supply chain disruptions. *Journal of Operations Management*, 32(6), 374-386.
- **Yang, H.**, Zheng, Y., & Zhao, X. (2014). Exploration or exploitation? Small firms' alliance strategies with large firms. *Strategic Management Journal*, 35(1), 146-157.
- Zhou, K., **Li, J. J.**, Sheng, S., & Shao, A. (2014). The evolving role of managerial ties and firm capabilities in an emerging economy: Evidence from China. *Journal of the Academy of Marketing Science*, 42(6), 581-595.
- **Jiang, L.**, Hoegg, J., & Dahl, W. D. (2013). Consumer reaction to unearned preferential treatment. *Journal of Consumer Research*, 40(3), 412-427.
- Antia, K. D., **Zheng, X.**, & Frazier, G. L. (2013). Conflict management and outcomes in franchise relationships: The role of regulation. *Journal of Marketing Research*, 50(5), 577-589.
- Wang, D. T., Gu, F. F., & **Dong, M. C.** (2013). Observer effects of punishment in a distribution network. *Journal of Marketing Research*, 50(5), 627-643.
- Wang, Q., **Li, J. J.**, Ross Jr, W. T., & Craighead, C. W. (2013). The interplay of drivers and deterrents of opportunism in buyer-supplier relationships. *Journal of the Academy of Marketing Science*, 41(1), 111-131.
- **Zeng, X.**, & **Wei, L.** (2013). Social ties and user content generation: Evidence from Flickr. *Information Systems Research*, 24(1), 71-87.
- **Wang, J.**, Zhao, X., & **Li, J. J.**, (2013). Group buying: A strategic form of consumer collective. *Journal of Retailing*, 89(3), 338-351.

## RESEARCH FACULTY LIST

NAME	RESEARCH FOCUS	UNIVERSITY (PhD)
<b>LI Juan Julie</b> <sup>1</sup> Head, Professor	<ul style="list-style-type: none"> <li>Marketing Strategies in China</li> <li>Knowledge Creation and Innovation in Marketing Channels</li> </ul>	<ul style="list-style-type: none"> <li>Social Networks and Interorganizational Relationships in Marketing Channels</li> </ul> University of Hong Kong (HK)
<b>SU Chenting</b> <sup>2</sup> Chair Professor	<ul style="list-style-type: none"> <li>China Marketing</li> <li>Channels Governance</li> </ul>	<ul style="list-style-type: none"> <li>Group Decision Theory</li> </ul> Virginia Polytechnic Institute and State University (USA)
<b>DOU Wenyu</b> Professor	<ul style="list-style-type: none"> <li>China Marketing</li> <li>Advertising and e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and Green marketing</li> </ul> University of Wisconsin-Milwaukee (USA)
<b>YANG Haibin</b> Professor	<ul style="list-style-type: none"> <li>Strategic Networks</li> <li>Mergers and Acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurship</li> </ul> University of Texas at Dallas (USA)
<b>YANG Zhilin</b> <sup>3</sup> Professor	<ul style="list-style-type: none"> <li>Network in Marketing</li> <li>Governance Strategies in Marketing Channels</li> </ul>	<ul style="list-style-type: none"> <li>Customer Value and Customer Loyalty</li> </ul> New Mexico State University (USA)
<b>ZHOU Nan</b> Professor	<ul style="list-style-type: none"> <li>Chinese Culture - Dao De Jing (道德經)</li> </ul>	<ul style="list-style-type: none"> <li>Marketing and Branding</li> </ul> University of Utah (USA)
<b>DING Zhi Qiang Daniel</b> Associate Professor	<ul style="list-style-type: none"> <li>Multinational Corporate Strategy</li> <li>International Strategic Alliance</li> </ul>	<ul style="list-style-type: none"> <li>Foreign Direct Investment in China</li> </ul> University of California, Los Angeles (USA)
<b>LEUNG Wai Keung John</b> Associate Professor	<ul style="list-style-type: none"> <li>Service Delight</li> <li>Service Quality Management</li> </ul>	<ul style="list-style-type: none"> <li>Process Management</li> </ul> University of Wisconsin-Madison (USA)
<b>YAN Mingping Yanni</b> Associate Professor	<ul style="list-style-type: none"> <li>International Strategic Alliances</li> <li>Ownership and Technology Transfer</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul> University of Cambridge (UK)
<b>CHEN Liwen Brandon</b> Assistant Professor	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Operations Management: Marketing Interface</li> <li>Distribution Channel</li> </ul>	<ul style="list-style-type: none"> <li>Pricing</li> <li>Advertising</li> <li>Retailing Management</li> </ul> University of Texas at Austin (USA)
<b>CHEUNG Sau Lan Fanny</b> Assistant Professor	<ul style="list-style-type: none"> <li>Cross Cultural Advertising</li> <li>Advertising in China</li> </ul>	<ul style="list-style-type: none"> <li>Service Internationalization</li> </ul> University of Bradford (UK)
<b>DONG Chuoyan Maggie</b> Assistant Professor	<ul style="list-style-type: none"> <li>Channel Governance</li> </ul>	<ul style="list-style-type: none"> <li>Interfirm Relationship</li> </ul> University of Hong Kong (HK)
<b>JIANG Lan</b> Assistant Professor	<ul style="list-style-type: none"> <li>Consumer Behavior</li> </ul>	University of British Columbia (Canada)
<b>LI Yiyun Stella</b> Assistant Professor	<ul style="list-style-type: none"> <li>Consumption Behavior in Internet (China) Environment</li> </ul>	<ul style="list-style-type: none"> <li>New Generation of Women in China</li> <li>Consumers in Transitional Economies</li> </ul> University of Hong Kong (HK)
<b>LUK Chung Leung</b> Assistant Professor	<ul style="list-style-type: none"> <li>Business Strategy in Emerging Markets</li> <li>Stakeholder Orientation and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Cross-Cultural Consumer Behavior</li> </ul> University of Hong Kong (HK)
<b>WANG Jianfeng Jeff</b> Assistant Professor	<ul style="list-style-type: none"> <li>Socio-Cultural Aspects of Marketing</li> <li>Consumer Interests and Public Policy Issues</li> </ul>	<ul style="list-style-type: none"> <li>Marketing Strategy</li> </ul> University of Arizona (USA)
<b>WANG Y Kitty</b> Assistant Professor	<ul style="list-style-type: none"> <li>Luxury Goods Marketing</li> <li>Industrial Organization</li> </ul>	<ul style="list-style-type: none"> <li>Behavioral Economics</li> </ul> University of Toronto (Canada)
<b>WEI Liyuan</b> Assistant Professor	<ul style="list-style-type: none"> <li>Microeconomic Modeling</li> <li>Industrial Organization</li> </ul>	<ul style="list-style-type: none"> <li>Behavioral Decision Making</li> </ul> University of Toronto (Canada)
<b>WEN Na Amy</b> Assistant Professor	<ul style="list-style-type: none"> <li>Consumer Decision-Making</li> <li>Electronic information Environments</li> </ul>	<ul style="list-style-type: none"> <li>Impact of Visual Designs on Decision Making</li> </ul> Georgia Institute of Technology (USA)
<b>ZENG Xiaohua Michelle</b> Assistant Professor	<ul style="list-style-type: none"> <li>Pricing</li> <li>Competitive Strategies</li> </ul>	<ul style="list-style-type: none"> <li>Social Network</li> </ul> University of British Columbia (Canada)
<b>ZHENG Xu Vivian</b> Assistant Professor	<ul style="list-style-type: none"> <li>Conflict Management in Principal-Agent Relationships</li> </ul>	<ul style="list-style-type: none"> <li>Mutual Monitoring Mechanism</li> <li>Crisis Management</li> </ul> University of Wisconsin-Madison (USA)

<sup>1</sup> Winner of College of Business Research Excellence Award 2011

<sup>2</sup> Winner of College of Business Research Excellence Award 2012

<sup>3</sup> Winner of CityU Research Excellence Award 2013 and College of Business Research Excellence Award 2013









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CityU.CB



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香港城市大學商學院



CITYU\_BUSINESS



城大商學院  
College of Business  
CITY UNIVERSITY OF HONG KONG