

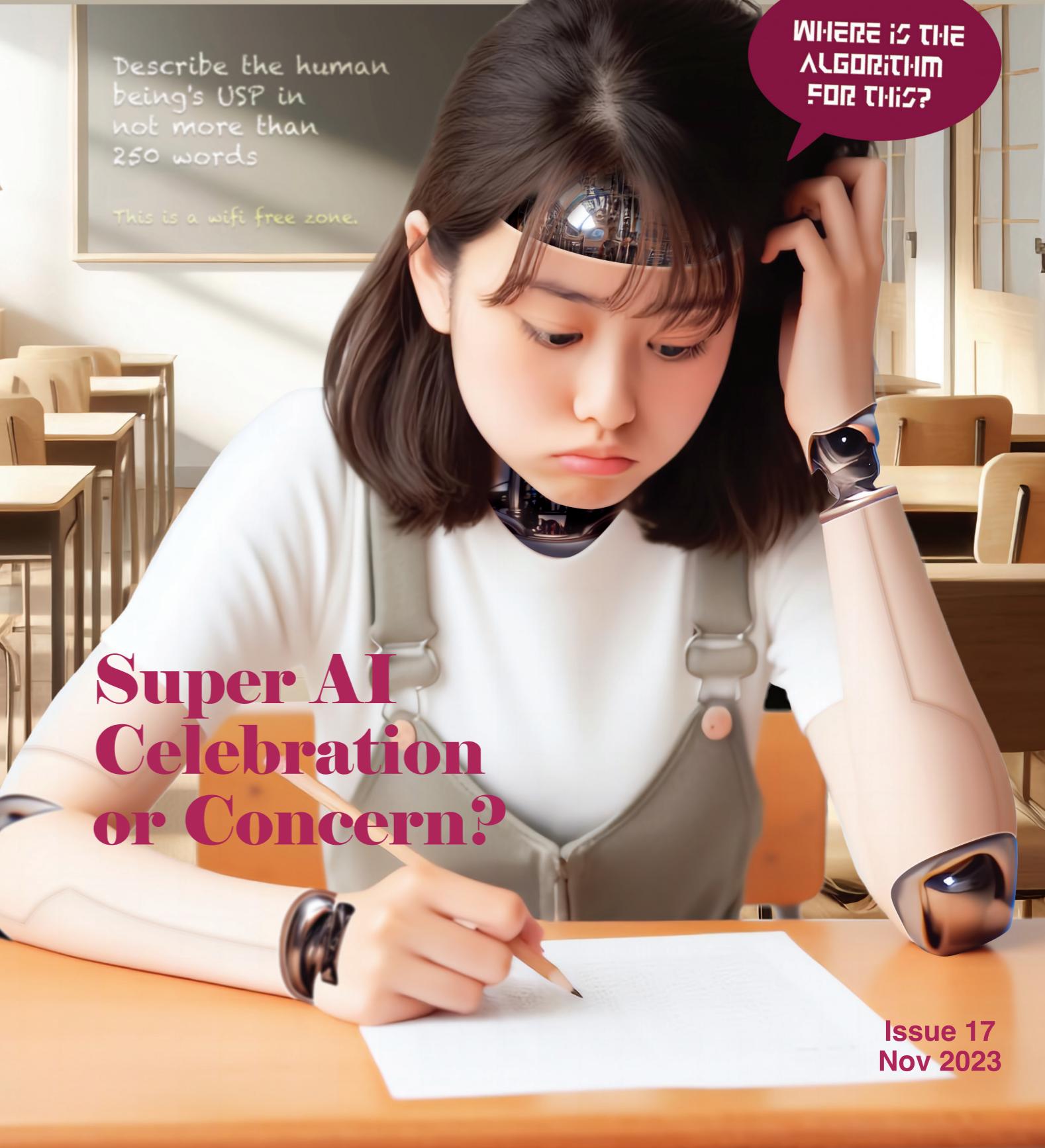
CITY BUSINESS

Magazine

College of Business



香港城市大學
City University of Hong Kong
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Professional·Creative
For The World



Super AI
Celebration
or Concern?

City University of Hong Kong –
College of Business

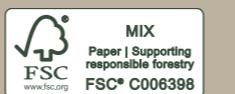
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City Business Magazine takes a fresh look at breaking global business issues. We showcase the achievements of our faculty, students, alumni and distinguished guests. Established in 2014, we reach some 50,000 alumni, international partners, and corporate stakeholders in hard and soft copy.

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Asia One Printing Limited

Super AI - a cause for celebration or concern?

Optimists such as Professor Fei-fei Li at Stanford University say: "I imagine a world in which AI is going to make us work more productively, live longer, and have cleaner energy." Pessimists such as Geoffrey Hinton, one of the so-called "Godfathers of AI," who left Google to sound warning shots on AI's risks, want a world treaty to ban the use of military robots. Elon Musk, currently the richest person in the world, says AI will create a world "where no job is needed." Whatever you make of it, the release of GPT4 in November 2022 has probably entered your consciousness – if not your working life. Where does that leave us in the university?

Professor Minkyu Shin takes the optimists' view and looks at *How superhuman artificial intelligence influences decision-making* by increasing novelty. He analyses the potential for superhuman AI in the context of the ancient game of Go and finds that it can prompt us to break away from traditional strategies and act as a catalyst for human innovation.

According to Professor Gladys Lam in *What skills will students need in the AI era?* AI is indeed going to change the way we work, and she sheds light on how to prepare students for success in this new era.

Dr Daniel Tse Woon-kwan poses the question *Is Artificial Intelligence a threat or an asset to Education?* He looks at the core technology of ChatGPT, the nature of the new knowledge-based systems, and the drawbacks and potential benefits of the new apps, and the implications for governance – both in education and wider society.

In *The art of Right Place, Right Time*, an interview with Jim Thompson, Chairman of Crown Worldwide Group, we learn how digitalisation is affecting more traditional relocation industries, and robotics are creating more efficient warehousing. We also look at whether entrepreneurship is a good option for graduating students in present day Hong Kong.

Finally, doctoral student, Min Zhou, looks at *Challenges and opportunities in anti-fraud operations for banks*. Whilst AI has allowed fraudsters to greatly increase their success rate, new opportunities arise in detecting anomalies, analysing transaction risk, and automating the handling of customer queries.

We probably haven't heard the last on the governance of AI. Indeed, this is an international issue and was very much the elephant in the room at the UK's early November Bletchley Park AI summit. This was the first time that China has met with western governments to discuss the issue. Governance will undoubtedly cover the hard area of regulation and in August 2023, China took the lead with an internationally ground-breaking law designed to regulate generative AI. The US Vice President now proposes to set up an institute that would police artificial intelligence. But governance also involves the softer issue of "alignment." As Co-Director of the Stanford Institute of Human-Centred AI, Fei-fei Li says "I don't know where we collectively are going to come out, but I think it's so important to focus our energy on human-centered AI."

I hope you enjoy this issue of City Business Magazine and, as the AI story unfolds, we welcome your future contributions to the discussion.

Professor Kalok Chan
Dean
College of Business

Welcome to Professor Kalok Chan Dean of the College of Business



A warm welcome to **Professor Kalok Chan** who took up the Deanship of the College of Business on 1st November. Professor Chan joins CityU at a time of great opportunity as the business and educational worlds return to "live mode" after the constraints of the past few years, and brings a wealth of experience in business school leadership to the College of Business.

Professor Chan joins us from the Chinese University of Hong Kong where he was Wei Lun Professor of Finance, serving as Dean of CUHK Business School from 2014 to 2019, and Chairman of the Department of Finance from 2021 to 2023.

Before that he worked as the Synergis-Geoffrey Yeh Professor of Finance at the Hong Kong University of Science and Technology, where he served as the Head of Finance Department (2003-2013) and Acting Dean of HKUST Business School (2013-14). He was the Founding Director of the HKUST-NYU Stern Joint Master in Global Finance programme. Prior to joining HKUST, he was an Associate Professor of Finance at Arizona State University.

Professor Chan obtained his BSSc in Economics from CUHK, and PhD in Finance from Ohio State University. As a leading scholar and a prominent researcher, he has published in numerous top ranked finance journals, and has been ranked as the top finance researcher in the Asia-Pacific region. His research interests focus on dynamics of asset prices, derivatives, market micro-structure, and international financial markets.

Active on several public bodies in Hong Kong, Professor Chan is a past President of the Asian Finance Association, and currently serves on a number of committees including the Human Capital Committee of Hong Kong Financial Services and Development Council, TraHK Supervisory Committee, Hong Kong Academy of Finance and HKIMR Council of Advisers for Applied Research.

The College looks forward with keen anticipation to working with Professor Chan over the coming years.



The sky's the limit An interview with Dean Kalok Chan

Interview by Eric Collins

Professor Kalok Chan discusses his perspective on the role of the Dean and the opportunities he sees for the College of Business (CB) to project itself as a leading business school.

What brought you to City University of Hong Kong (CityU)?

CityU is my third university in Hong Kong. When I was at the Hong Kong University of Science and Technology and then Chinese University of Hong Kong (CUHK), I witnessed the remarkable development of CityU especially over the last decade, which made joining CityU look like a very attractive prospect. CB's strong research output and prominent, sometimes unique, programmes are another big draw. This is a chance for me to explore new avenues and contribute my experience and administrative expertise to further the growth of CB.

You've previously served as Dean at CUHK. What does the role at CB mean to you?

As the Dean, I see my role as pivotal in setting the direction and strategy of the College. This involves coordinating and improving academic programmes, bridging the gap between the University and the College, and serving as an ambassador to external

communities, whether that be corporate, alumni or student community. I envision myself as a unifying force, aligning faculty members, mobilising resources, and fostering collaboration. As an ambassador, I aim to promote CB, gain support, and enhance our reputation.

How can CB project itself as a centre of thought leadership?

We have a wealth of talented faculty members, some very well known in their various fields, who can contribute to thought leadership by working with a wide range of business issues. I will encourage our faculty to stay abreast of current developments, understand important trends, and share their knowledge with the wider community. I think that we need to develop some kind of a support or encouragement for our faculty who really try to get into this thought leadership. I hope that we can form a group of experts who can share a lot of their knowledge and opinions with the wider community and then build on CB as a centre of business knowledge.



What has been the main focus of your own research over recent years?

My research primarily centres on understanding financial markets, their efficiency in reflecting information, and the drivers of trading that affect market efficiency. While finance remains my core focus, research areas evolve over time. Recently, I have explored the interrelationship between the Mainland Chinese and Hong Kong financial markets and the declining trading volumes in the Hong Kong stock market.

Which areas of interdisciplinary research would you like to see develop at CB?

Research areas should be triggered by faculty members' own interests. I would encourage our faculty to think critically about their research projects and support cross-disciplinary collaborations. The traditional disciplinary research focus may have limitations, and interdisciplinary research can provide a broader understanding of complex issues. I aim to facilitate collaborations with faculty outside their departments, even beyond CB, to create platforms for interdisciplinary research.

But if you ask me are there any particular research areas where I would like to do more research, that would be Sustainable Finance or Environment, Social, and Governance (ESG) which has been one of my main teaching focuses over the last 2 or 3 years. It definitely goes beyond the business discipline involving the environment, energy, economics, and the law, so it's truly an interdisciplinary area.

Do you view AI as a blessing or a curse for educators?

Personally, I view AI as a blessing for educators. The traditional teaching methods which focused on memorization are outdated. Instead, I would encourage students to apply what they have learned through research or experiential projects. With the internet, students have vast access to information, and AI makes it easier for them to find relevant materials. However, it is important to emphasise the importance of critical thinking, verifying the accuracy of information, and analysing its implications. Regarding assessment, again I believe we should focus on getting students to apply

what they have learned on an issue rather than rote learning.

Is there a future for the traditional academic skills?

AI has tremendous computational power and can provide quick answers based on aggregated knowledge. However, I think that there are certain skills AI cannot fully replace. Once more, critical thinking, argumentation, and reflection are all vital aspects of education that require human engagement. While AI can assist in organizing information, it is the students themselves who must adapt and apply that knowledge to real-world situations.

How do you incorporate sustainability into your teaching?

Sustainability is a critical topic that should be integrated into business education, a reflection of its importance in the wider world. I encourage students to analyse and compare real-life cases, allowing them to critically evaluate how different companies approach sustainability and how their performance influences communication strategies. This level of engagement and analysis cannot be replicated by AI, especially when dealing with current and localised business issues.

Is education making a broad enough impact in society?

In general, I think we could do more. Of course, academic research should not only focus on publications, but also strive to be impactful. In evaluating academic proposals, the University Grants Committee and Research Grants Council consider societal impact as an evaluation criterion. Then if we look at the student learning side, experiential learning and practical projects can bridge the gap between academia and the real world, allowing students to work on meaningful projects that benefit both themselves and collaborating companies.

One of the reasons I came to CityU is because there is quite a good DNA for commercialisation and innovation here, and I hope that the College can also play a role. Patents may mainly come from the engineering and science schools, but business-oriented mindsets are essential in leveraging to create commercial value. By collaborating closely with other colleges and schools within the University, CB can infuse business knowledge into practical applications and programmes, thus contributing to the commercialisation and innovation process.

How important is diversity and how can it be promoted within the College of Business?

Diversity is not limited to gender and ethnicity. Importantly, it also means diversity of ideas. CityU has made progress in terms of faculty recruitment, but we need to put more effort into promoting diversity within the student body. It is crucial to market and promote CityU as a welcoming institution that embraces diversity, attracting students from diverse backgrounds and fostering creativity, innovation, and intellectual discourse. The University is gaining a lot of reputation now. I think that if we can we do more promotional marketing and then try to get some more students from outside Hong Kong and the Mainland to join, that would be really fantastic. Of course, we need to provide some kind of support in the way of scholarships. Something as basic as people having different ideas and mindsets is important, because if everyone thinks alike it is really not conducive to creativity or innovation. So, yes, diversity is really important.

Beyond academia, what are your personal interests and hobbies?

Outside of work, I am passionate about maintaining a healthy lifestyle and staying active. I enjoy hiking, jogging and following sports, particularly soccer. As an avid Arsenal fan, I watch the English Premier League, and despite the near miss last season, I am rooting for them again this time around.

Finally, what message would you like to give to the CB community?

I would like to encourage the College of Business community to believe in continuous improvement. The sky's the limit! Instead of comparing ourselves to others or fixating on rankings, let's focus on personal growth and strive for excellence in teaching, research impact, and all aspects of our work. Together, we can reinforce City University's reputation as a centre of academic and practical excellence.



Unleashing human potential: How superhuman AI influences decision-making

Professor Minkyu Shin of the Department of Marketing analyses the potential for superhuman AI in the context of the ancient game of Go and finds that it can prompt us to break away from traditional strategies and act as a catalyst for human innovation.

In an era marked by rapid technological evolution, artificial intelligence is no longer a concept restricted to the realms of science fiction. Instead, it has become an integral part of our daily life, transforming the way we work, socialise, learn, and make decisions. One particular area where AI's influence is profoundly felt is in decision-making, especially in complex environments that demand strategic thinking and foresight. But how exactly does AI influence human decision-making? And what are the implications of this influence on our professional and personal lives?

The advent of superhuman AI

Before we delve into the specifics, it's crucial to clarify what we mean by "superhuman AI." This term refers to AI systems that have the ability to outperform human experts in specific tasks or fields. Unlike traditional computational tools such as simple calculators or basic computers which are primarily designed to execute specific tasks based on predefined rules, superhuman AI systems are capable of learning, adapting, and making decisions that can outperform those made by humans.

Take the game of chess, for instance. Traditional computer programmes such as early versions of chess-playing software operate by following a set of predefined rules and algorithms. They can calculate thousands of potential moves and outcomes, but they are fundamentally limited by their programming and cannot adapt to novel situations or devise new strategies.

On the other hand, superhuman AI systems like Google's AlphaZero can teach themselves to play chess at an extremely high level by playing millions of games against themselves and learning from their mistakes. They can discover and implement novel strategies that human players, including grandmasters, may never have considered.

Another compelling example of superhuman AI in action can be found in the realm of natural language processing, a field that significantly influences our daily interactions and communications. Traditional chatbots work based on predetermined scripts and keyword recognition. They are limited to responding to specific prompts and often fail to understand or generate meaningful responses to unexpected queries. Their capability is akin to a basic calculator or computer, executing predefined tasks reliably but lacking the ability to learn, adapt, or think creatively.



In contrast, GPT models like OpenAI's ChatGPT represent an evolution in this technology. Trained on vast amounts of text data from the internet, these models can generate coherent and contextually appropriate responses to a wide range of prompts. They can grasp the nuances of language, understand complex queries, and even exhibit a degree of creativity in their responses. For instance, they can draft emails, write essays, answer factual questions, and even generate poetry or fiction. What sets ChatGPT apart is the ability to unearth hidden patterns in the data they've been trained on and generate novel responses based on those patterns. This is not unlike identifying a winning strategy in a game or uncovering a new theory from a dataset in scientific research.

Our research question: Can humans learn from "black box" superhuman AI?

The capability of superhuman AI to unearth hidden patterns and devise new rules or strategies indeed has profound implications for human decision-making. This suggests that humans can learn from these AI systems to improve their own decision-making processes. This could be applied in various contexts, whether that involves devising a winning move in a board game, making a critical business decision, or diagnosing a complex medical condition.

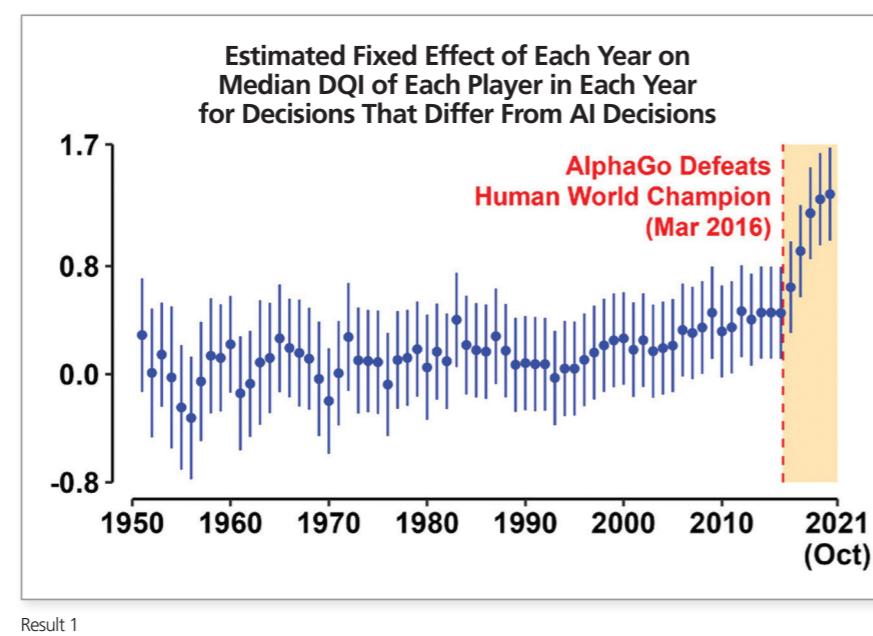
However, achieving this level of performance isn't always straightforward. To reach superhuman capabilities, AI systems often need to delve very deeply into their respective tasks, which can sometimes come at the cost of interpretability.

For instance, consider the workings of a deep neural network used for image recognition. These AI systems can identify objects, faces, and even subtle signs of disease in medical images with superhuman accuracy. However, the internal workings of these AI systems – the way they weigh and combine countless variables to reach a decision – can be incredibly complex and difficult for humans to understand. This is often referred to as the "black box" problem in AI.

In such scenarios, where superhuman AI systems are often designed without a focus on helping human decision-makers understand their output, it prompts us to question: can we still argue that superhuman AI brings advancement in human decision-making? And what could be a potential mechanism?

Result 1: Human players in the game of Go get better after AlphaGo.

Our research, carried out over the span of 71 years and involving analysis of more than 5.8 million strategic decisions, delves into these questions. We focused on the ancient game of Go, a domain where AI, specifically superhuman AI such as AlphaGo, has already surpassed human performance. Our findings shed light on the interplay between AI and human decision-making, and hint at powerful implications for businesses, education, and even societal norms.

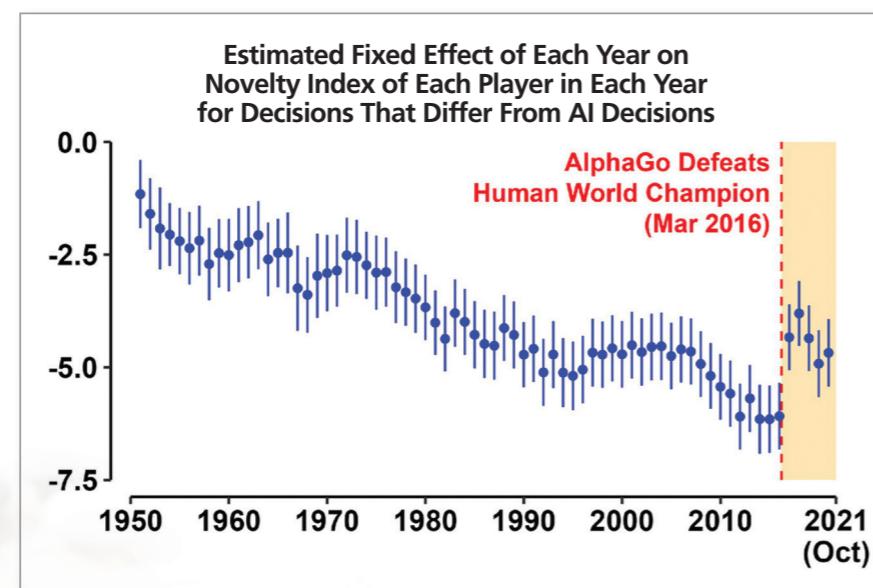


Result 1

In our research, we used a superhuman AI programme to assess the quality of human decisions in the game of Go. By generating 58 billion counterfactual game patterns, we compared the win rates of actual human decisions with those of counterfactual AI decisions. What we discovered was quite intriguing. In the era following the advent of superhuman AI (i.e., AlphaGo), human players began to make significantly better decisions. This observation leads to a fascinating question: what could be the mechanisms driving this improvement?

Result 2: Human players have started making more novel move decisions since AlphaGo's introduction.

Upon analysing human players' strategies across time, we found that the introduction of superhuman AI also coincided with an increase in novel decisions. In other words, moves that had never been observed before started occurring more frequently. What's more, these novel decisions were associated with higher decision quality, indicating that they weren't simply random but strategically advantageous.



Result 2

This points toward a fascinating phenomenon. The development of superhuman AI programmes may have prompted human players to break away from traditional strategies and explore new, innovative moves. This exploration, in turn, appears to have improved their decision-making.

Despite AlphaGo and related systems not being explicitly designed to enable human players to understand its decision-making process, it has inadvertently become a tool for human advancement in the game of Go. Its unconventional and superior strategies have pushed human players to reconsider their traditional gameplay and experiment with new approaches. By observing and adapting the AI's outputs, players have been able to devise novel strategies, leading to a significant improvement in their decision-making quality. Thus, although AlphaGo may operate as a "black box," its influence has sparked progress and innovation amongst human players.



“Superhuman AI is more than just a tool for improving efficiency or automating tasks. It is a catalyst for human innovation”

Everyday applications and impacts

While our research focused on the game of Go, its implications extend far beyond this specific context. At its core, decision-making is a universal process, applicable in a multitude of situations from everyday choices to complex business strategies.

In business scenarios, for instance, this could mean that AI systems could stimulate human managers to break away from traditional, time-honoured strategies and explore novel, more effective approaches. This could lead to innovative breakthroughs, allowing companies to gain competitive edges or solve previously intractable problems.

In educational settings, AI could foster a culture of innovation and creativity among learners. By providing insights which challenge traditional thinking, AI tools could encourage learners to explore uncharted territories in their respective fields, thereby enhancing their problem-solving skills and broadening their perspectives.

Concluding remarks

Our research offers a glimpse into the intricate dynamics between superhuman AI and human decision-making. It highlights how AI, a creation of human intellect, can in turn stimulate human intellect to reach new heights. By catalysing novelty and innovation, superhuman AI can be a powerful ally in our quest for progress, opening up new vistas of possibilities in various domains.

It is important to remember, however, that this is just the beginning. As AI continues to evolve and becomes even more integrated into our lives, its influence on human decision-making could also evolve in ways we cannot fully anticipate today. Nevertheless, our findings suggest a promising trajectory, one where AI and humans can co-evolve, each pushing the other toward greater heights of innovation and decision-making prowess.

In conclusion, superhuman AI is more than just a tool for improving efficiency or automating tasks. It is a catalyst for human innovation, a spark that can ignite the flame of creativity and decision-making excellence. As such, understanding its influence on human decision-making is not just an academic pursuit - it is a quest to understand the future trajectory of human potential itself.

Reference



Professor Minkyu Shin
Assistant Professor
Department of Marketing

What skills will students need in the AI era?

It took AI two weeks to paint a landscape picture in 2018. Now it's less than a minute. Professor Gladys Lam, Adjunct Professor at the College of Business, CityU, describes how AI changes the way we work, and sheds light on how to prepare students for success in this AI era.

AI changes the way we work

The rise of generative AI is transforming industries and our understanding of what it means to work efficiently. Tools like ChatGPT and Midjourney produce copy and imagery at lightning speed which in previous years took skilled writers and designers years of training to craft. Now this technology is available to everyone and has been experienced by the masses, it is empowering people from all around the world to be creators. This disruptive technology has lowered the entry bar and levelled the competition. It is a golden time for small companies without many financial resources who can do battle with the big brands. AI has moved beyond a data analysis tool to be a collaborator, like a personal genie helping us to think, write and work more efficiently.

AI has been used by business and big corporations for years until recently opened to the mass public. In fact,

marketers around the world have already incorporated AI into their work and are using it in a variety of ways. AI software runs millions of daily ad auctions at Google. Its algorithms decide which feeds you are reading on Facebook and LinkedIn. It enables customer services bots at HSBC and other banks. From automated operational workflow to programmatic advertising and media buying, AI gives people across the marketing ecosystem the power to do more, to accelerate, and enhance how they create and work.

Imagine: a marketing team is tasked with creating an engaging social media campaign for a new product. In the past, this would have required brainstorming sessions, multiple drafts, and revisions by a team of writers and an art director. With generative AI, the campaign can be crafted in a fraction of the time. The AI can generate countless ideas, taglines, and visuals, drawing from a vast database of existing materials. The marketing team can then pick their favourites and fine-tune them to perfection.

In addition to content creation, generative AI can also streamline the product development and design process in the consumer goods sector. By analysing data on consumer preferences and behaviour, AI can identify gaps in the market and suggest the product ideas that are most likely to be successful. AI visual generators can also assist in product design by generating designs based on consumer preferences and feedback.

This newfound efficiency is undoubtedly a boon for businesses, but it also raises questions about the future of work for marketers. As AI takes a more significant role in content generation, the skills needed to thrive in marketing are shifting. Creativity and a keen eye for design are no longer enough; marketers must also possess the skill to use these AI tools effectively. A deep understanding of the limitation of the technology, and the ability to analyse and interpret data generated by AI will be crucial.



The limits of generative AI

Efficiency is not necessarily equal to quality. While visual generators can generate aesthetically pleasing and realistic images, they may not be able to generate the intended images accurately from the prompts. They may also struggle to create high-resolution or detailed images, especially when trained on limited data. The outputs are simply unpredictable. Those who have used ChatGPT to produce copy will know they sometimes produce incorrect fabricated information that sounds utterly convincing, but which may lead to misinformation. This is particularly risky for students who rely on AI-generated content to learn new concepts, and who may inadvertently absorb inaccuracies.

No matter how advanced, AI cannot truly understand the human condition. It lacks common sense and can generate nonsensical or inappropriate responses. It lacks the critical thinking and creativity necessary for offering authentic perspectives and higher-order strategic insights. A Harvard Business Review article recently characterized AI as a prediction machine that does not invent: "Marketers invent and the AI learns what works for whom, when and how."

Preparing students for success in the AI Era

To thrive in the AI era, educators must prepare students to be AI-literate through advancing curriculum design. Educators must provide opportunities for students to leverage technology wisely, developing prompt engineering skills and evaluating the accuracy and reliability of AI-generated results.

In addition to technical skills, students will need to develop soft skills that are not easily automated by AI. Soft skills like creativity, critical thinking, collaboration, and communication are crucial, all of which require empathy and an understanding of others' feelings and needs. While AI may be able to perform many routine tasks more efficiently than humans, it cannot necessarily replicate nuanced and complex interactions that are inherent in business roles.

To combat the danger of complacency and the potential risk of over-reliance on AI, educators must cultivate in students a mindset of constant growth and curiosity. As AI continues to evolve, we too must evolve. We must strive for excellence, not settle for convenience. We must challenge ourselves to think critically and creatively, to push boundaries, and to create content and ideas that AI cannot.

Universities' assessment policies must reflect these changing demands, recognising creativity and originality

rather than fluent English writing. The existing assessment policy of higher education in Hong Kong and tertiary education worldwide typically favours students who write coherent and persuasive text in English. Students, especially non-native English speakers who cannot express their thinking clearly through writing, often suffer from low marks, even when their marketing ideas and business strategies are good. Their creativity is not duly recognised when the final output is in essay form. Product innovation happens not from good writing but original breakthrough ideas. ChatGPT can help non-native English speakers spend less time writing and more time on thinking and problem solving.

The rise of generative AI is disruptive yet exciting, but we must learn how to drive these genies, not be driven by them. While AI technologies like ChatGPT and Midjourney have undoubtedly transformed the way we can create content, it is crucial to recognise their limitations and potential downsides. Students must be equipped with the skills to navigate them, maintaining a healthy balance between embracing AI's potential, and cultivating the essential human elements of critical thinking and creativity.

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Professor Gladys Lam
Adjunct Professor
College of Business

Is artificial intelligence a threat or an asset to education and assessment?

Dr Daniel Tse Woon-kwan looks at the core technology of ChatGPT, the nature of the new knowledge-based systems, and the drawbacks and potential benefits of the new apps.

The burgeoning popularity of ChatGPT over the past year has taken the world by storm, impacting many industries and changing the world in both productive as well as destructive ways. Besides ChatGPT, similar software such as Adobe Firefly and DALL-E are making their mark. Will these technologies become a threat or an asset to education and the wider society?

Before we come up with an answer, let us explore the magic of the core technology of ChatGPT, i.e. the generative artificial intelligence. First of all, AI is not new. In fact, my own IT company used an early form of AI technology, 'Prolog,' in creating a time-table scheduling software package for local primary and secondary schools more than 30 years ago. But things have moved on. In addition to having a very powerful AI engine, the success of ChatGPT relies on a sophisticated user interface and knowledge-based systems (KBS) which are connected to a very large pool of resources. Basically, AI is a kind of logic thinking done by the computers. Its implementation can be done via AI programming which is composed of high-level declarative language with built-in intelligent predicates (e.g. backtracking) and knowledge engineering, trying to find all possible solutions which are then filtered or trained to provide the most appropriate solution. In other words, its output is not absolutely correct. It is also not limited to text: Generative AI is a newer term covering the generation of text, images or other media in response to human inputs (or prompts). This is a very powerful natural language processing tool.

AI – what's new?

What is the difference between AI and non-AI applications? Technically speaking, there are two approaches in computing programming, namely, conventional programming (or procedural programming) and AI programming. Conventional programming languages are imperative for primitive

data processing needs. Using these languages, e.g. Java and Visual Basic, the programmer's task is to code step-by-step instructions (procedures) sequentially for the computer to follow in processing data to arrive at a solution. Knowledge is represented throughout the programme in the form of procedures. Given a set of data inputs, a conventional programme is able to deterministically produce the single correct output. Using the input-processing-output concept, if the inputs and the procedures are correct, then the output must be correct. In contrast, AI programming is able to solve problems non-deterministically by deducing a set of all possible solutions that can satisfy a user's query. Therefore, it is error-prone but the accuracy can be improved by 'training.' In other words, conventional programmes focus on *how* to accomplish the mission while AI programmes represent a descriptive style of programming where the programming task is to declare *what* is known about a knowledge domain. This knowledge comprises facts about domain entities and rules that permit inferencing about them.

In this information age, knowledge is the most precious of all resources and increasingly organisations are turning to AI and expert systems for an effective means to manage this resource. KBS differs from traditional database systems in that they are able to reason about data and draw conclusions employing heuristic rules. With many heuristic rules encoded into its knowledge base (together with a mechanism for inferencing called an inference engine), a KBS can 'reason' about problem situations and can generate a range of likely solutions. Besides the use of AI's heuristics in KBS, machine learning algorithms can be used to replicate processes and patterns previously gathered and can remember these processes / patterns for further problem solving. Thus, according to websites such as enoumen.com, combining heuristics with machine learning technology makes for more accurate and reliable predictions and greater efficiency.

ChatGPT contains a super KBS with contents coming from many sources including the internet.

Drawbacks - cheating

Having discovered the magic of AI, now let us discuss the drawbacks of using it in education. One of the most controversial topics is student cheating in higher education. Through assignments, students are typically required to explore the nature of the subject domain by themselves and then give in-depth analysis (according to the questions asked) resulting in deeper knowledge acquired. This has been a very effective educational tool in the past, particularly because students' answers should be different as they are usually responding to an open question. Thus, plagiarism is reduced to a minimum. However, if the students can use ChatGPT to generate essays and other written assignments, then the work produced may be hardly distinguishable from that made by human beings. This is very unfair to those students who have not used ChatGPT in completing the assignments. In other words, ChatGPT has made cheating easier without guaranteeing actual understanding of the subject domain by the students.

Benefits - invigilation

The use of ChatGPT can however be helpful to education. Although students can use ChatGPT to cheat in assignments, it can also help educators create more innovative assignments which require students' critical thinking and practical problem-solving techniques rather than merely an acquisition of deeper knowledge. Students can use ChatGPT for exploratory study and efficient deeper learning, and the potential benefits are being recognised in the higher education sector. Whilst writing this article, a Hong Kong university announced that they will allow their students to use ChatGPT in their coursework preparation up to 20 times per month. In addition, ChatGPT can be used to analyse candidates' behaviour during examinations so that cheating cases can be easily detected. In our own university, responses have been intensively used to monitor students' behaviour during online examinations in the Covid period. However, there were many critics on its effectiveness mainly because of the potential loopholes. Using ChatGPT and other similar tools, it is possible to monitor and analyse all of each candidate's behaviour (e.g. eyeball movement frequency and direction) closely while at the same time holistically monitoring and analysing the whole class behaviour in real time mode. Although in the post-Covid era we do not need to run examinations online, cheating during

examinations is still potentially a big problem. ChatGPT can be deployed in many productive ways. Even recognising that the nature of AI may not be 100% accurate, as mentioned above, it could be used to provide alerts to invigilators. In addition to this usage, ChatGPT can be used in understanding students' psychological and emotional problems rather than relying on the busy school counsellors who may have too many cases to follow.

The governance issue

Governance has the objective of making sure the acts and deeds of practitioners fulfil legal requirements and meet society's ethical standards. In education we have stakeholders from students and staff who may wish to use ChatGPT in their work. For students, the amount of use of ChatGPT in completing the coursework should be defined clearly as a guideline. Apart from that, if there is no control over the use of ChatGPT in the office, quality may be a big question. Senior management should set out clear guidelines in using ChatGPT for administrative staff. Furthermore, although ChatGPT can be used to monitor students' behaviour during exams as well as potential psychological issues, improper use may affect the privacy of students. Therefore, all users should follow the data privacy ordinance.

To sum up, an effective governance on the use of generative AI tools needs to be put in place. The government or the senior management of organisations, with the help of professional organisations, should form a steering committee to define the policies, guidelines and procedures for using such productive but also potentially dangerous generative AI tools. AI is such a smart and powerful tool that its use has to be properly governed. If it is used in the wrong way it becomes a threat; if it is used in a productive way it becomes an asset. Let's make it a power for the good.



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ChatGPT: Challenges and opportunities in anti-fraud operations for banks

As ChatGPT expands the use of AI applications, **Min Zhou**, doctoral student at CityU, looks at challenges and opportunities in anti-fraud work in the field of finance.

ChatGPT, a generative Large Language Model developed by Artificial Intelligence research laboratory OpenAI, has received widespread attention and acclaim since its launch. Compared to traditional dialogue models, ChatGPT utilises a massive amount of data to train the model, allowing it to obtain a stronger understanding of natural language and generate more fluent dialogue according to the context. The integration of technology in the field of finance is an inevitable aspect of the social division of labour, driven by advances in science and technology. ChatGPT will undoubtedly expand the use of AI applications in the field of finance, greatly promoting reform and aiding financial institutions in serving the economy. The banking industry should strive to make full use of the opportunities brought about by such programmes in order to accelerate the implementation of various beneficial applications such as personalised customer service, multilingual translation, intelligent financial management, sentiment analysis, improved customer experiences, automatic risk assessment, and fraud detection. However, at the same time, the industry must be aware of the risks that may accompany AI implementation.

New challenges

The banking industry has faced new and increasing challenges in recent years, of which one of the most significant is protecting customers from fraud. According to the Hong Kong Police Force, the number of fraud cases in Hong Kong has increased significantly in recent years, up 45% in 2022 year-on-year.

Investment scams and telephone scams cost huge sums each year - HKD 1.8 billion and HKD 1 billion respectively. Finding ways of detecting and preventing fraud has become one of the greatest challenges that banks face today.

AI has allowed fraudsters to greatly increase their success rate. In the past, fraudsters often impersonated organisations such as public security bureaus, procuratorates, courts, government officials, etc, taking advantage of the victim's panic to defraud them. In the present day, scammers can use AI models to generate fake voice and video messages that mimic real organisations. For example, the Baotou police in Inner Mongolia, China, recently shared a typical case on their public account. The fraudster first stole the WeChat account of the victim's friend, and then used AI to impersonate the friend's face and voice, successfully defrauding the victim of 4.3 million yuan in 10 minutes.

When using AI tools like ChatGPT, data and privacy are easily leaked. Due to the low awareness of financial information security of some users and the lack of rules for the use of large-language models in specific banking scenarios, fraudsters may use the data leaked to carry out targeted fraud.

New opportunities

While AI technologies such as ChatGPT bring about new challenges for banks, opportunities also arise.

ChatGPT can aid banks in conducting anti-fraud operations by:

- Detecting anomalies. By analysing a large amount of data regarding the historical transactions and behaviour of customers, it can effectively learn the behaviour of consumers, identifying abnormal transactional behaviour and reducing potential risk of fraud. For example, if a customer suddenly and unexpectedly transfers a large amount of money from their account to an unfamiliar account, the programme can alert the bank, which can then issue alerts and warnings, freezing the transaction before gaining confirmation from the customer, thereby reducing the chances that the customer will be scammed or defrauded.
- Analysing behaviour. Through examining data detailing a customer's behaviour and conversations, ChatGPT is capable of understanding the user's background and needs, so as to better assess whether a transaction performed by the customer is a risk, and if it is, how large a risk.
- Automating the handling of customer queries and reports, thereby improving the efficiency of a bank's anti-fraud operations.
- Providing customers with 24/7 services. For example, the AI-based automatic duty system of the Agricultural Bank of China Suzhou Branch circumvents the limitations of traditional manual monitoring, being capable of providing functions such as real-time monitoring and alerts, achieving around-the-clock customer service.

- Assessing the authenticity of information. Through analysing the authenticity of videos and messages, ChatGPT can determine whether there are instances of fraud, thereby preventing customers from incurring losses.

AI technology has been increasingly applied in anti-fraud in recent years. For instance, the "AI police officer" deployed in China's Yuhang District, Zhejiang Province, makes use of technologies such as intelligent speech, semantic recognition, automated processing and big data analysis to carry out anti-fraud activities. The introduction of these "AI police officers" has led to a 71.4% decrease in fraud cases, and a reduction in case loss of 95.1% in the region. Banks, then, must make good use of emerging AI technologies in order to improve their ability in anti-fraud activities and better serve their customers.

This is a condensed version of an AIFT article.
For full version:



Min Zhou
PhD student
School of Data Science





The art of Right Place, Right Time

Interview by Eric Collins

Jim Thompson, Chairman of Crown Worldwide Group, member of the College International Advisory Board and with a long association with CityU, has been at the helm of a global relocation and records management business headquartered in Hong Kong for more than 50 years. Here he talks about starting out as an entrepreneur, how new technology can improve customer relations, and whether Hong Kong is still a place to do business.

Can you tell us a little bit about how you started out in business?

I went to college in San Jose State in California and I majored in aeronautical engineering because at that particular time that was a hot field to get into. The intention was for me to go into the aircraft industry or perhaps become a pilot. But I had travelled to Asia, was still not settled and I had this burning desire to learn more about the history of Japan in particular. So, I took a small low paying job in a packing company in Yokohama just to survive and intended to stay a year or two. As it turned out I liked the job, found it fulfilling, and I was in a foreign country. After a year-and-a-half the company was cutting back and I found myself unemployed in Japan. So I did a crazy thing. With very little money I said to a few Japanese friends, let's see if we can start a packing company. I started on a real shoestring and got it going. It was all hand to mouth in the beginning, there was no excess capital or outside investors. Year after year we improved the volume of business, and we were getting a bit of a reputation and that's how I got going.

Why did you come to Hong Kong?

I met an American gentleman and he said he had some business for one of the major companies, Caterpillar, in Hong Kong. I had already been to Hong Kong, found it fascinating and thought about expanding there. But this fellow's business was a catalyst. We went over, talked to companies that we knew, and they said "Yep, there are no good packers in this town." That was all we wanted to hear. We figured "let's invest a little money and

start something." So that was in 1970, but I remained in Japan for a few years. The reason I came to Hong Kong was that in 1978 my business partner chose to sell out of our business and I bought his interests. We had organized our financial centre with accounting and administrative corporate activities in Hong Kong, so I knew at that point that I had to move here to oversee all that. I was a little apprehensive but when I got here I found Hong Kong was this most amazing open city, much more so than Japan. It felt like this was the right place at the right time. I really enjoyed the atmosphere and Hong Kong has been our headquarters ever since.

How have things changed in the last 50 years?

Well in terms of doing business they haven't changed so much and this is something I tell overseas people all the time because they often have negative perceptions of Hong Kong. The basis of doing business here is a very hard-working energetic population to draw on for staff, and the relative lack of government bureaucracy. There is some of course but that allows you to do a lot more things more easily when you make your investments in this town. Also, I found it was truly nationality-blind here. We are all treated as corporate entities just as Hong Kong corporations so there's no benefits to the local corporations.

In this digital age, why has records management been a growth area for you?

Well, traditionally there have been a lot of regulations and legal requirements in different countries to keep



“A company that is prepared to listen creates an atmosphere of innovation”

records for a certain time, so there was always a need to store those documents. Especially in Hong Kong, as a financial and accounting centre, organisations generate a lot of paper. On the other hand, office rental rates are so high that people don't want to keep all those extra boxes in their expensive offices. When we started we had to sell the concept of outsourcing that aspect, and also the fact that all records are retrievable. Then with digitalisation, an expanse of new information was created which meant another big volume of business and documents. So even if only a little of that new expanded information system ended up on paper, it meant more business for us. In the future, if hard copy declines then whatever the next iteration of storage, we will pick up on it and be in that field as well.

How about the relocation business? Have you seen volumes increase in the last few years?

Yes - and I'm talking globally now - unsettled situations cause people to move. It could be a revolution, an economic crisis, a medical crisis or whatever. So, believe it or not, 2022 was the best year in the history of our company. A lot of people left Hong Kong to go to different places but some only temporarily. Some came back. Also, any gaps in young people leaving to find their life in other countries are being filled by people coming in from China or other places. So, relocation generally is going to be around for a long time.

What new technology is coming into your company?

In some countries, customers are a long way away from our operational point. It used to be an expense to get somebody out to a property and prepare a quote for what was only potential business. Nowadays we just ask customers to take their smart phone, link up with our software, and walk around their house, open the cupboards so we can see everything we need to know to quote on the shipment. No need to spend money on an expensive salesman to travel there. When I first heard

of this technology I thought that we would lose out on not talking to the customers face-to-face. But it turns out you can do all that on video and the customers are actually happy with it: a win-win situation. Digitalisation does not diminish your ability to show that you are a quality company.

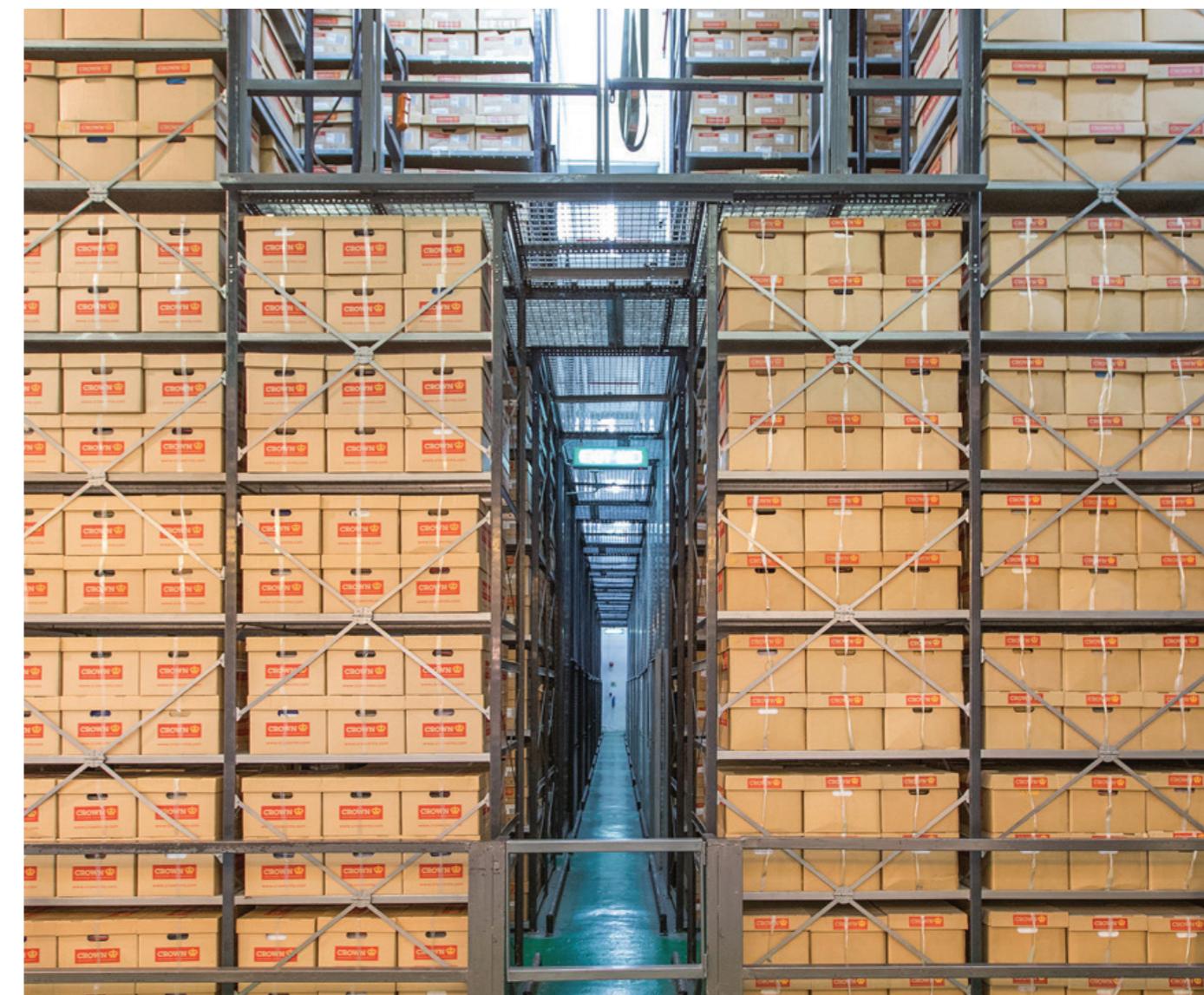
In terms of robotics we have just built a warehouse at Tianjin. I think people are seeing that the technology processes are going well in China. We have an automated racking for records, something we haven't done anywhere else. The technology is such that you just need one or two people and they can move these boxes and racks to any location in the building. And it's all Chinese-made infrastructure.

Are universities in Hong Kong producing the kinds of graduates that you need?

I'm impressed with the graduates. I do a lot of personal mentoring with students and work with various Hong

Kong business schools, and I think they're turning out some great graduates. Once they've had that education they should be qualified to do a lot of different things in the business world or in other fields. I use myself as an example – an engineering student who never actually used engineering, but the education I got allowed me to see that I could do a lot of different things. Most businesses are going to re-educate entrants on how the company works, so as long as you've got the basics of business you should be able to fit into many different types of business.

“Once you start it's like getting on the back of a wild bucking horse”



Do you recruit people straight from school and then develop them?

Yes, we are something of a blue-collar business with a lot of operational jobs that don't necessarily require a university education. I've always felt that any employee who has the determination can get ahead in a company. College graduates that we hire have to recognise that there are people that may want it more than they do, and I think companies recognise that too. So just a warning to the college graduates – there's no free ticket after that diploma! My father was a great example. He needed to work for his family as his dad was not around so he didn't get a formal education and yet he went on to make a career and became a senior naval officer, and then went into business and did quite well.

Do you look to your people to innovate?

I think innovation is an interesting word, but the reality is that people can come forward with ideas just from being in the workplace. A company that is prepared to listen creates an atmosphere of innovation, and possibly a change in the way things are done. There are so many incredibly successful people who were dropouts from university and set up a business, so if you can find people with these kinds of minds, they can contribute a lot to the success and development of the company.

Is entrepreneurship a good option for people who are graduating nowadays in Hong Kong?

A lot of people tell me, "I want to work for myself." But once you start it's like getting on the back of a wild bucking horse. So, getting through certainly the initial years you have to have a lot of stamina and determination and tell yourself: "I'm going to do this. No one's going to stop me," and try not to be distracted. Of course, it's always possible to over-extend yourself and the whole thing collapses. We in our company use a term called controlled growth. You have to have the determination and patience to stay with the project. Overall, yes, I do think that Hong Kong is a good place to be an entrepreneur.

For an entrepreneur, is the ability to adapt quickly a significant quality?

Yes, and I think this is a Hong Kong quality too. When conditions change, people just say "OK what are the new rules? We'll play by them and still make money." People don't sit around and complain, they just get on with it.

For a company you also have to be adaptable – if there's a new competitor in town you have to figure out how you can sell against it. I think we've been pretty good at it. There're a few places we ended up having to close a business because we hung on too long without success, but generally speaking, yes adaptability is a key quality of entrepreneurial activity.

"Asia is going to be a really productive and dynamic part of the world //

How important is contributing to the community?

I've always thought if you make a success of your business, you owe something back to the community and it's a great way to be respected in the whole environment. Giving is also a great thing to have as a part of the culture of the company. I am in a position to give the green light to our staff to go out and fund raise money either locally or for a bigger cause and the reaction is amazing. I feel that if you give a Christmas present to someone in your family, the person receiving it is going to say thank you for this, but you're going to get a lot of pleasure having created that happiness in the person. And that applies to all giving as far as I'm concerned.

"If you make a success of your business, you owe something back to the community //

It's one thing to say "Look I have this much money." That's nice, but this feeling of being able to help another cause or human or whatever, that's nicer. I will say I think Hong Kong is a very generous community. A lot of big wealthy companies have foundations and it's just part of their whole business operation. We've done a lot where we've had to ask others for money or support for a good cause and they're very good about it.

Now there's a new emphasis in Environment, Social and Governance...

It's much broader than Corporate Social Responsibility because it includes the company's relationship with the environment. One of the things that is happening is that institutional investors are looking beyond the bottom line, looking at ESG. They ask: Are we using electric vehicles? Are we putting solar panels on our houses? Are we minimising the use of paper or excess material? All of these things can be measured nowadays so companies are being rated on these types of things.

Do you have any special advice for our graduating students?

I think one of the things for students generally is to try to get internships, particularly overseas, during their education period. It really does help put the academic work into a practical perspective. As far as graduates are concerned, once they've got that degree they're ready to hit the world and they should be flexible in terms of what kind of role they play from then on. There is so much to learn every single day about

how the system works outside the academic world. A lot of graduates work so hard at an interview for a particular job. I would say don't be too fussy about the job you want. I want to say, take a role that you're happy with and look forward to it. The reality is that you don't know how you'll like it until you've actually experienced it.

Is Hong Kong still the place to do business?

This is my 60th year in Asia. During this time, I experienced the end of the Vietnam War, the death of Mao, and then the era of Deng Xiao Ping who was, I believe, one of the most significant leaders in Asia in the last 100 years. He created an environment of peace in Asia. There have been skirmishes but overall peace. In that context anyone who uses the term *Asian Century* is probably right. I think it's shifted from pre-Second World War Europe, to post-war America, and now Asia. I'm not only talking about China, but all of Southeast Asia including India and even Australia. Look at it in a broad sense and Asia is going to be a really productive and dynamic part of the world. So, what I say to graduates is "You are in the right place at the right time."



Research Snapshots

Dynamic pricing and information disclosure for fresh produce: an artificial intelligence approach



Professor Cenying Yang, of the Department of Information Systems, along with co-authors, has been exploring novel approaches to tackle the growing problem of fresh food wastage. The revenue generated by perishable fresh produce constitutes more than half of grocery chain revenues; however, approximately 10% of food in grocery stores is discarded annually in the United States. This not only negatively impacts the bottom line of grocery retailers but also contributes to food waste. This research combines dynamic pricing and information disclosure strategies to assist retailers in effectively selling fresh produce while promoting sustainability.

The study focuses on a quality-based pricing strategy and examines whether retailers should disclose information regarding food quality to customers. A model is considered where a monopolistic retailer sells fresh produce to customers who possess varying perceptions about food quality within a specific time frame. To determine the optimal pricing and information strategies, a deep reinforcement learning algorithm is employed. Simulation results indicate that a quality-based pricing strategy results in lower prices compared to a strategy that does not account for quality. Lower prices drive demand, thus improving profits and reducing food waste.

Furthermore, the study demonstrates that when an information strategy is implemented, the prices in a quality-based pricing strategy either remain the same or increase during the selling season. This is attributed to the fact that information disclosure helps align customers' biased perceptions of food quality with the actual levels. The combination of

quality-based pricing and information disclosure further improves profits and reduces food waste, particularly when a significant portion of customers perceive the quality to be lower than actual levels. To facilitate the implementation of their ideas, the authors propose a cloud-based automated system that integrates sensor data, artificial intelligence, and customer communications. These findings hold significant implications for the food industry in managing fresh produce effectively.

Yang, Cenying; Feng, Yihao; Whinston, Andrew. "Dynamic pricing and information disclosure for fresh produce: an artificial intelligence approach." January 2022; In: *Production and Operations Management Society*. Vol 31, No. 1, pp.155-171

Limited attention: implications for financial reporting



Professor Jinzhi Lu, of the Department of Accountancy, develops a theory to study the consequences of providing more detailed information to rationally inattentive investors. The study sheds light on a fundamental trade-off between disclosing a summary versus disclosing details, noting that while a summary contains less information about fundamentals than details, it is easier to process. Furthermore, the study finds that when investors' decisions are complements, reporting details together with a summary does not always dominate reporting a summary alone. The main reason for this surprising result is that when investors care about the decisions of others, they are induced to process details, even if doing so is very costly. By uncovering a potential cost of reporting details, the paper contributes a novel insight into the consequences of providing detailed information, an issue currently under consideration by the Financial Accounting Standards Board in its performance disaggregation project.

Lu, JinZhi. "Limited Attention: Implications for Financial Reporting." November 2022; In: *Journal of Accounting Research*. Vol 60, No. 5, pp. 1991-2027

Modeling patients' illness perception and equilibrium analysis of their doctor shopping behaviour



Professor Pengfei Guo, from the Department of Management Sciences, along with co-authors, has studied the behaviour known as "doctor shopping," which occurs when a patient disagrees with a doctor's diagnosis and seeks multiple opinions without referrals. The study aims to understand why patients engage in this behaviour and determine the best decisions they can make when doctor shopping. The research shows that after each visit to a doctor, patients adjust their beliefs about their health based on new information. The decision to continue doctor shopping is influenced by factors such as how accurate the diagnosis is, the relative value of identifying a severely ill patient, and the cost of each visit. The study also examines the impact of doctor shopping on the overall well-being of society. This is assessed from two perspectives: whether doctor shopping improves the accuracy of diagnosing a patient's health condition and whether it helps alleviate patients' anxiety. The findings suggest that allowing patients to doctor shop can lead to increased congestion in the healthcare system. However, it can also benefit patients who choose to engage in this behaviour by providing them with better outcomes. There is a certain threshold of accuracy for diagnoses, above which doctor shopping reduces overall welfare and below which it improves welfare. This threshold increases as patients become more pessimistic or have diverse initial perceptions of their illness. The objective welfare maximization prefers a higher doctor shopping rate than the subjective welfare maximization only when the value of identifying a severely ill patient is high enough.

This finding helps explain why doctor shopping is often encouraged for critical illnesses like cancer.

Huang, Fengfeng; Guo, Pengfei; Wang, Yulan. "Modeling patients' illness perception and equilibrium analysis of their doctor shopping behaviour." March 2022; In: *Production and Operations Management*. Vol. 31, No. 3, pp. 1216-1234

Outside opportunities, managerial risk taking, and CEO compensation



Professor Wen Chen of the Department of Accountancy, along with co-authors, examines how quasi-exogenous restrictions of outside employment opportunities affect CEO compensation structure by exploiting the setting of staggered adoption of the Inevitable Disclosure Doctrine in US state courts. The IDD adoption constrains executives' ability to work for competitors, which likely decreases CEOs' tendency to take risks by increasing the cost of job loss and reducing the reward of risk taking. The study hypothesizes that the board will respond by increasing the sensitivity of CEO wealth to stock volatility (referred to as vega) to encourage risk taking. The findings reveal a significant increase in vega post-IDD adoption. The effect is stronger among CEOs with greater career concerns. The effect also increases with ex-ante CEO mobility and the importance of trade secrets, suggesting the board increases vega more when there is a greater reduction in CEO outside opportunities. Overall, new evidence is provided on how external labour market frictions affect the convexity of CEO compensation.

Chen, Wen; Jung, Sumi; Peng, Xiaoxia; Zhang, Ivy Xiying. "Outside opportunities, managerial risk taking, and CEO compensation." March 2022; In: *The Accounting Review*. Vol. 97, Issue 2, pp.135-160

The Sunny Side of the Street

Lau Kok Rui is a CB alumnus of the BBA Marketing programme. With his directorial debut *The Sunny Side of the Street*, he was awarded Best New Director and Best Original Screenplay at the 59th Golden Horse Awards.

Hong Kong is committed to promoting a diverse and inclusive society, but not many people pay attention to the plight of asylum seekers. Lau Kok Rui, a new director who came to Hong Kong from Malaysia to study at City University of Hong Kong, explores this issue in his debut film, *The Sunny Side of the Street*. The film brought him and his team early success with awards and nominations at the Golden Horse Awards in Taiwan and the Hong Kong Film Awards.

A line from Tang Dynasty poetry says, "Being a stranger in a foreign land is like being a guest" (獨在異鄉為異客). Lau Kok Rui recalls that on graduating from high school he learned from his teacher that CityU had established full scholarships for overseas students. With a try-it-all attitude he applied and was accepted, leading him to study and live alone in the unfamiliar city. Coupled with his almost non-existent knowledge

of Cantonese, the inevitable result was feeling a bit of a "stranger." Perhaps it was empathy that sparked his attention to the extensive media coverage of asylum seekers in Hong Kong in 2015, gradually leading to the idea of creating a film, and starting to write the scripts for *The Sunny Side of the Street* in 2019.

Fully funded scholarship

"I had many hobbies during my study periods. I chose Marketing at CityU because I was interested in advertising. The programme covered design, copywriting, and business elements, which are in line with the needs of the industry," Kok Rui explained. He particularly thanks CityU for its support. The full scholarship allowed him to study and live in Hong Kong without worrying to burden his family. This was very helpful as he could focus on his studies and left him with many happy learning memories. He especially

Lau Kok Rui (right) at the filming scene



appreciated the large number of group projects in the programme, which helped students establish good relationships, and was a key factor in gaining the fluent Cantonese he enjoys today. "I have loved watching movies since I was young, but the small town where I grew up only had one cinema with limited choices. It was not until I went to CityU that I discovered a library with a vast collection of films, including foreign language films such as Spanish cinema. I once watched more than 80 movies in one summer, which constantly increased my interest in film."

Shooting documentaries to uncover social issues

Before becoming a film director, Lau Kok Rui was best known for directing several TV dramas for a local television station. Looking back at the beginning of his career, he briefly worked as a university teaching assistant before turning to a television advertising production company where he participated in mainstream commercial productions and worked with many well-known brands. "At that time, I also started shooting independent documentaries with friends in my spare time. One series was about homeless people in Sham Shui Po, which gave me the opportunity to explore different aspects of the city."

When it comes to *The Sunny Side of the Street*, which he had been planning for a long time, Kok Rui said that the biggest challenge for a new director was getting funding. Due to the impact of the pandemic, he spent two to three years looking for financial support, until he met an investor from Malaysia at the Hong Kong — Asia Film Financing Forum. "Another challenge was finding suitable 'amateur' actors for the film, especially the Pakistani boy who was one of the main characters. We spent three to four months auditioning before we found Sahal Zaman, who won the Best New Actor award at the Hong Kong Film Awards."

Award recognition keeps mission alive

Lau Kok Rui explained that the Chinese name of *The Sunny Side of the Street* (白日青春) was taken from a poem by Yuan Mei, a poet from the Qing Dynasty, which reads "Places without light but youth flourishes (mosses grow)" (白日不到處，青春恰自來). Through this, he hopes to convey the message to the two generations of refugee families in the film that they can flourish like moss, even in places where the sun cannot reach, and

find a way out. As for the open ending of the film, which has sparked different interpretations, he describes his film as a mirror that reflects the social environment and thoughts of the audience, inspiring them to think more deeply, rather than focusing on whether the mirror is beautiful, three-dimensional, or has any other gimmicks.



The Sunny Side of the Street won multiple awards at the recent (2022) Golden Horse Awards including Best New Director and Best Original Screenplay, important recognition for a new director who is still exploring his personal style. For his next work, he plans to make realistic family dramas that are close to his background and may consider filming in Malaysia. Speaking of the next generation of aspiring directors, he encourages them to shoot stories that interest them, maintain confidence and a sense of mission, and find like-minded partners. Filmmaking, he says, is not a solo endeavor. Interpersonal skills are just as important as technical ability.

This article is a translation of the published interview by the Alumni Relations Office, City University of Hong Kong: <https://www.cityu.edu.hk/aro/alumnistories/208.htm>



My learning journey with

Pitch Perfect Programme

Rachel Lau, BBA Global Business Year 3, the Grand Champion of the Pitch Perfect Programme 2023, describes the opportunities and challenges that came her way, and the secret of her success.

The Pitch Perfect Programme is an annual programme initiated by the Hong Kong General Chamber of Commerce and the Youth Executives Club. It contains comprehensive and professional elements for undergraduate students, equipping us with crucial skills on CV writing, business networking and interview techniques. I am glad that YEC and HKGCC provided such rich resources on training, company visits, mentorship, mock interview practices and competition opportunities. As a business student who is fond of taking up new challenges, I joined this programme intending to excel to a new level and it was definitely beyond my expectation.

The programme ran for three months over four stages, with more than 80 students from 10 local universities taking part in training courses, company visits, internships and mentorships, which helped students to develop essential workplace skills. The activities culminated in the semi-final and final rounds, where students underwent hypothetical job interviews with representatives from the sponsor companies and the chamber leadership.

HKGCC offers two days of training with different themes. The first day focuses on how to get a job successfully while the second day is on performance and image at work. I was able to hear the latest talent trends and career planning advice from **Mr Tristan Shing**, Head of Marketing, JobsDB. He provided us with data insights on job markets for graduates from various disciplines, teaching us on how to tailor-make a compelling profile for future career planning, and tips to find jobs that are of our preference. On the second day, I enjoyed the training provided by **Dr Mark Lee** on how to build up influential power to lead your team in your career. Dr. Lee usually trains C-levels from large conglomerates, and it was my honour to listen and learn critical thinking skills and leadership skills from him.

Company visits

I visited Chevalier International Holdings Limited and Asia Allied Infrastructure Holdings Limited, two



companies with different styles in terms of introducing their corporate missions and offerings to participants. For Chevalier Group, I had the valuable opportunity to try out their VR lift installation training and to see the engineering components on the evolution of the lift industry. For Asia Allied Infrastructure, the company gave us a very detailed presentation and introduction to the product offerings and innovation in the company, which provided me with insights and directions on how to form marketing strategies.

Mentorship experiences

I had the opportunity to learn from two business mentors from the programme. **Mr Hans Leung** (Senior Manager in Corporate Communications in CK Hutchison Holdings Limited) and **Mr Timothy Wong** (East Asia Managing Director of Scotwork Global Negotiation Consultancy) provided me with valuable insights in preparing my interview competition pitch. Their unfailing guidance and support during the preparation stage provided me with innovative ideas and ways to improve my presentation and answering structures. They also gave me advice on how to improve my CV and how to enrich my extracurricular experiences outside university.

Competition

The highlight was the competition consisting of two rounds; a preliminary round in the selected company track and a final round, in which the performance is judged by prestigious business leaders in Hong Kong. I chose to participate in the Chevalier Group Stream since I got interested in its operations and business development after the company visit. The HR Manager and Senior Manager of the group asked me questions related to marketing strategies, project management and government compliance issues. This requires participants to think critically and provide feasible solutions instantly on real business and engineering problems.

I got the rare experience to directly communicate with **Mr George Leung Siu-Kay**, CEO of HKGCC and **Mr Jeffrey Lam Kin-Fung**, LegCo member and Managing Director of Forward Winsome Industries Limited for further insights and possible career directions after the competition. It was a memorable experience for me to interact with them in person as HKGCC Student Ambassador 2023/24. In addition, as the Grand Champion of the Pitch Perfect Programme 2023, I received an internship offer as a Project Development Summer Intern and will have the opportunity to job

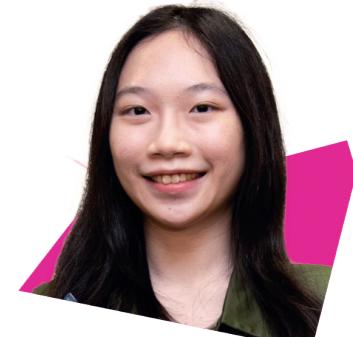
shadow a successful business leader for a whole day, during which the process of job-shadowing will be filmed and posted on HKGCC social media platforms.

Takeaways

One of the lessons that I've learnt is to express true thoughts in front of seniors. It was actually a shock for me when I was crowned as the champion this year so I asked Mr. George Leung and Mr. Jeffrey Lam why I was selected as the champion. They told me that my willingness to express my true thoughts on the programme, to critically think about pain points and viable solutions in solving the issues was the major reasons. Their positive feedback helped me to think critically on how to make future improvements.

Being the HKGCC Student Ambassador, I have the valuable opportunity to attend a number of flagship events hosted by HKGCC and YEC. In addition, I had the opportunity to dine with **Dr Allan Zeman**, Chairman of Lan Kwai Fong Concepts Holdings Limited in November. With the unique networking opportunities in HKGCC and YEC, I believe the exposure and network gained will be a valuable add-on to my business journey, allowing me to use strategic and innovative approaches in solving business problems.

The Pitch Perfect Programme is definitely one of the best programmes helping undergraduates to enhance their employability. With its rich networks and the guidance of business leaders in this inclusive community, undergraduates can definitely ace themselves in the future business workplace and have eye-opening experiences in understanding networking and interview skills. Being the HKGCC Student Ambassador also allowed me to have extraordinary experiences in networking with top-tier business leaders, I would strongly encourage ambitious business students in CityU to join this meaningful and fruitful programme.



Rachel Lau
BBA Global Business

How to think rather than What to think

My Study Abroad experience at Harvard

My educational journey from CityU to Harvard University provided an eye-opening contrast in teaching styles and learning environments. At Harvard, classrooms operate under the ethos of individualism, promoting active participation and open dialogue. Professors often serve as facilitators rather than as traditional authority figures, making room for a balanced exchange of ideas. At CityU, the classroom environment leans toward collectivism, where students typically work in harmony but may hold back their individual opinions due to the cultural preference for hierarchy and consensus.

This divergence in educational philosophies can largely be explained through cultural lenses. The egalitarian principles that form the bedrock of American society find their way into Harvard's classrooms, fostering an environment where each voice matters. Conversely, CityU's teaching practices reflect Hong Kong's hierarchical society, where deference to authority is often prioritized.

One striking aspect of American culture that permeated my experience was the education system's focus on "how to think" rather than "what to think." Courses at Harvard were designed to cultivate critical thinking, often incorporating debates, discussions, and reflective exercises. This educational philosophy directly manifests American values that prioritize individual agency and intellectual freedom. One moment that encapsulates this was when we were asked to write a reflection memo critiquing a speech by a practitioner with over a decade of experience. Initially, the task felt audacious, yet it demonstrated the culture of fearless critical analysis fostered at Harvard. Interestingly, one of my instructors stated that "the worst feedback is no feedback at Harvard," reflecting an ethos where even experts are not beyond scrutiny.

The skills I have acquired during my study abroad programme extend beyond academia into practical



life and career applications. Time management became crucial when juggling multiple assignments, projects, and social commitments in Harvard's fast-paced environment. Similarly, the participative culture encouraged me to be more assertive, a trait I can foresee being valuable in future professional negotiations and teamwork settings.

One fascinating aspect of Harvard's classrooms was their diverse composition. Alongside college students like myself were secondary school prodigies and established professionals, including accomplished politicians pursuing master's degrees. This eclectic mix created a unique learning environment. The diversity of the student body at Harvard enriched my educational experience exponentially. Engaging in dialogue with peers from various global backgrounds broadened my worldview, offering a kaleidoscope of perspectives I hadn't previously considered.

I wholeheartedly recommend the Study Abroad programme for anyone looking to broaden their horizons both academically and personally. It is essential to come prepared. The pace at Harvard is relentless, so mastering time management is a must. You'll also be expected to engage deeply in your courses, which requires a proactive mindset. Embrace these challenges; they are the essence of the growth you'll experience. Thus, if you are planning to participate, remember to bring your A-game from the get-go, keep an open mind, and be ready for an unforgettable journey.



Caleb Ng
BBA Global Business

NEWS

CB students win 1st runner-up at the HSBC/HKU Asia Pacific Business Case Competition 2023

A team of four CityU undergraduate students won 1st runner-up at the HSBC/HKU Asia Pacific Business Case Competition 2023 held via Zoom from 23 May to 1 June 2023. Participating students included **Richard Afandy** from BBA Global Business Systems Management, **Andreas** from BSc Computational Finance and Financial Technology, **Gisela Gwen Michelle** from BBA Global Business, and **Rafiza Mirza** from BBA Accountancy.

The students' winning journey started with the Hong Kong Competition, where they competed face-to-face with 8 other local universities from 20 – 22 April 2023, winning the champion trophy.



The CityU team presents its business solution before the judges via Zoom.

They then progressed to the online Asia Pacific Business Case Competition with 23 universities from across the globe. The CityU team shone with their strong business knowledge, creativity and global perspectives coming to the fore, and won the 1st runner-up prize.

The team members expressed their deepest gratitude to their coaches, **Professor Alvin Leung** and **Professor Huazhong Zhao**, who supported them throughout the preparation and the competition itself.

Professor Alvin Leung was delighted to learn about the achievement of students. "The outstanding performance of our students in the competition not only showcases their exceptional business skills and global perspectives but also represents the values and education philosophy of CityU College of Business. As a globally-oriented and innovative business school, we aim to nurture next-generation business leaders who can leverage technology in a rapidly changing environment. We believe in the power of impactful business knowledge and the importance of bridging the gap between academia and the global business community. Their achievement is a testament to the values we hold dear, and we are proud to have played a part in their success."



The team wins the Hong Kong competition and earns the entry ticket to the Asia Pacific competition.

NEWS

Bank of China (Hong Kong) and the Laboratory for AI-Powered Financial Technologies Limited sign Fintech agreement



The Laboratory for AI-Powered Financial Technologies Limited (AIFT) has entered into an agreement with Bank of China (Hong Kong) (BOCHK) to jointly promote supply chain financial innovation and implement digitally inclusive financial services.

This is the first cooperation between AIFT and a financial institution to use big data, artificial intelligence, and blockchain technology for research analysis. The aim is to deepen the bank's understanding of the business models of small and medium-sized export e-commerce enterprises, and support their financing services applications.

Mr Haifeng Xu, Deputy Chief Executive of Bank of China (Hong Kong) said, "BOCHK and AIFT will cooperate to further understand the business conditions of e-commerce enterprises through research on cutting-edge business models, such as cross-border e-commerce and the use of supply chain data. This will enhance our credit assessment of these enterprises and strengthen our service capabilities for e-commerce customers. This cooperation also reflects BOCHK's active promotion of supply chain financial innovation and support for the Hong Kong Special Administrative Region Government's promotion of financial technology and inclusive finance development."

Professor Freddy Boey, President of City University of Hong Kong, said, "CityU has always been committed to exploring and practicing innovative technologies. We hope to bring together more talent and strength in the field of cutting-edge technology, allowing it to expand continuously. This cooperation between BOCHK and AIFT combines the laboratory's innovative technology, system platform, and BOCHK's product concept and business scenario to jointly promote the application of financial technology in banking business and product research and development. We believe that everyone's efforts will surely accelerate the development of Hong Kong's financial technology."

Professor Houmin Yan, Director of AIFT and Chair Professor of Management Sciences at the College of Business of CityU, said, "The cross-border B2C e-commerce industry chain in China is long, as is the capital occupation cycle. AIFT's research and development combines artificial intelligence, big data, and blockchain technology with modern financial tools and joint machine learning frameworks to balance model optimization and enhance smart financial functions to promote credit and risk management decisions. Through cooperation with BOCHK, we hope to leverage each other's strengths to provide financial support for the e-commerce industry and jointly promote the development of the financial technology ecosystem. This will enhance the ability of Hong Kong's financial service industry to integrate with the economic development of the Greater Bay Area."

The Laboratory for AI-Powered Financial Technologies Limited is a Hong Kong registered limited company wholly owned by CityU, providing transformative analytics solutions for the financial services industry across the Asia-Pacific region. It is also the sole financial technology company under InnoHK Innovation Hong Kong Research and Development Platform, a flagship project of the Hong Kong Special Administrative Region Government.

CityU team wins Citi Cup Financial Innovation Application Contest

A CityU team predominantly from the College of Business has won the 18th Citi Cup, the first Hong Kong university team to receive this prize. The Financial Innovation Application competition was hosted by Citi Financial Information Services (China) Co., Ltd. in Shanghai in June, attracting a total of 1,333 college students from 222 colleges and universities at home and abroad. Contesting teams focused on key areas such as environment, society and corporate governance and the metaverse, and developed financial technology products with both commercial prospects and social benefits.

After fierce competition, the Epiphany Insights: A One-stop ESG Analysis Platform Designed for Financial Institutions project of the Epiphany team from CityU came out as winner of this year's competition, and also won the Citigroup Challenge - Environmental, Social and Corporate Governance special award. The key members of the CityU team were **Richard Feng Zijing** (BSc Computational Finance and Financial Technology (CFFT), Year 3) – Team Leader; **Julia Liu Meijun** (BBA Marketing, Year 4); **Anna Shen** (BBA Business Analysis & Finance double major, Year 3); **Kenny Chen Rongxin, Ada Peng Wanting, Ethan Zhou Tianle, and Henry Sun Shaohang**, all BSc CFFT Year 2 students.

Founded in 2005, the Citi Cup is China's first campus public welfare event aimed at cultivating financial technology talents. It has been held for 18 consecutive years and has attracted more than 20,000 students and 2,000 teachers from home and abroad. This year's "Citi Cup" received strong support from Shanghai Caida Science and Technology Park Co., Ltd., and joined hands with Citi China Corporate Banking Department and Citi Innovation Lab to continue to launch the "Citi Challenge" including ESG themes.



The Epiphany team at the competition presentation

Study Abroad at Harvard Summer School "A treasure trove of memories"



Front (from left): Winnie Tsui, Cherry Lai
Back (from left): Debbie Zhang, Shuki Ho, Caleb Ng, Aragorn Lai

This summer, Harvard was featured for the first time in CB's popular Study Abroad programme, with seven CB students living and learning with a global community of students at the leading US university for around seven weeks. Apart from the study, students were free to participate in networking and athletics events as well as various cultural activities. Student feedback was enthusiastic. **Cherry Lai** said: "Don't miss the chance to explore American culture and to discover the beauty of nature in this land of diversity. The Harvard experience will be a treasure trove of memories." For **Shuki Ho** it was the diversity of the people he met which inspired him most. "If you're willing to overcome your hidden barriers, you're bound to have a profoundly transformative experience here at Harvard." The Study Abroad programme provides students with a valuable opportunity to live and study overseas for credits during the summer break, and the College is clearly opening up an exciting new learning destination for our students. See **Caleb Ng's "My Study Abroad experience at Harvard"** on page 29 of this issue.

NEWS

School of Energy and Environment and CB launch 5-year double degree programme

The School of Energy and Environment and the College of Business have teamed up to introduce a new double degree programme. The Bachelor of Engineering in Environmental Science and Engineering and Bachelor of Business Administration in Finance programme, set to commence from the academic year 2024/25, is hosted by the School of Energy and Environment.

This programme has been designed in response to the escalating importance of green finance and carbon emission trading in the financial industry, and the rising demand for professionals skilled in environmental, social and governance with the business acumen to make strategically sound financial decisions.

This unique merge of environmental science with finance offers students a distinctive opportunity to gain in-depth knowledge in both fields, and nurtures graduates for career-readiness with ESG/sustainability skills.



The launch event of the double degree programme in Bachelor of Engineering in Environmental Science and Engineering and Bachelor of Business Administration

CityU SDGs X Fintech Hackathon 2023

CityU Fintech, a student-run society, organized its flagship programme, CityU SDGs x Fintech Hackathon 2023, on 10 – 12 March at CityU Lau Ming Wai Academic Building, with the support of Momenday Consulting Limited (co-host organization), Gamenoodelsoupe Limited (Strategic Partner) and Microsoft Hong Kong (Technology Partner). This year's theme is "Financial Inclusion" that focuses on 7 Sustainable Development Goals from the United Nations. The event brought together 125 young innovators from CityU and other universities in Hong Kong to tackle pressing societal challenges through development of apps or software programmes.

Under the guidance of industry mentors and social entrepreneurs, participating teams worked together to innovate, develop and pitch pioneering solutions through engaging in a series of workshops, and classes, and sharing on design thinking and social innovation. Students analysed the challenges faced by youths, minority women and elderly in Hong Kong and created inspirational and impactful solutions.

Christy Ma and Rico Choi, BBA Global Business students, with two teammates from another university won the Most Collaborative Team & Most Outstanding Team Award with a gamified investment simulation app "Wealth-Known" designed to enhance financial literacy among teenagers in Hong Kong. The app is the first wealth management app for secondary schools locally with the objective to improve social mobility, consolidate academic knowledge, and enhance academic results. It features multiple-choice questions, trading sessions, news updates, and difficulty levels, allowing teachers to explain financial concepts to students. The winning team found the competition experience both educational and inspiring. "We have learned to address real-world challenges through innovative solutions effectively and will carry these lessons with us in our future endeavours."



Welcome to Our New Faculty

We welcome our new faculty who joined CB between March 2023 and August 2023.

Department of Accountancy

Professor FAN Zhongwen
Assistant Professor



Professor KANG Yiran
Assistant Professor



Professor SOHN Sang Woo
Assistant Professor



Department of Economics & Finance

Professor XIA Shixiang
Assistant Professor



Professor ZHOU Jin
Assistant Professor



Department of Information Systems

Professor LI Zhiyin
Assistant Professor



Department of Economics & Finance

Professor CAI Sheng
Assistant Professor



Professor LI Shuaiqi
Assistant Professor



Department of Management

Professor Anurag GUPTA
Assistant Professor



Professor LIU Wenjie
Assistant Professor



Department of Marketing

Professor GUO Liang
Chair Professor



Professor Guo received his BA from Beijing University, MSc from National University of Singapore and PhD from University of California. He was previously Professor in the Department of Decision Sciences and Managerial Economics and Department of Marketing at The Chinese University of Hong Kong.

Professor Guo is a distinguished scholar, and his research interests include economics of psychology, marketing strategy, industrial organisation, and applied economics. Professor Guo has held a number of professional roles including Associate Editor for Management Science and Senior Editor for Production and Operations Management.