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2021
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THINK forward

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think counter-intuitively,
and look at problems
in a new light!



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THIS ISSUE: THINK FORWARD

Old ways of doing things are falling out of favour left and right, becoming victims of the pandemic. To succeed, sometimes you have to think counter-intuitively or least, look at things in a new light.

As the world returns to a semblance of normal economic activity, think forward and learn insights that could help you or your company to set itself apart from the competition and get ahead.

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Fostering a Human-Centric Financial World

After Angel Ng (BBA 1990) graduated from CUHK Business School, she worked more than six years for a multinational FMCG company.

In 1998, her expertise and insights in delivering extraordinary customer experience led her to a new home at Citi.

At the time, the global bank's management was hoping to give its retail banking services a customer-centric makeover, which Angel delivered with flying colours.



Empathy As First Step towards Success

Angel's affinity with Citi started while she was at university. "As I had to pay for four years of tuition fees, I had to work part-time jobs and lived off loans for a while," she recalled. Citi was her first creditor. "I learnt to be thrifty even before I worked at a bank. I became an expert in calculating the minimum payments and finance charges of my student credit cards." This experience also allowed Angel to start gaining unique insights into customer needs.

In May 2018, Angel became Citi Hong Kong and Macau's first female Chinese CEO. When she was asked about her formula for success, she credited it to a blend of strong principles, logical thinking and feminine sensibility. In addition, she maintains a maxim to always put people first. To Angel, company, colleagues and clients are all family.

Within six months after assuming her new role, Angel was put to the test. US-China frictions, social unrest and the COVID pandemic came one right after the other. Angel admitted that her colleagues were perturbed during this state of flux. But she understood that it is most important to maintain communication: "Some companies prefer keeping their heads down when the going gets tough. But I see my colleagues as family, which means that we should be open with one another, and I always make their safety and well-being my top priorities. For example, during the early days of the pandemic, we arranged for more than 90% of our staff to work from home, even though that might have caused a disruption to our business. We also cobbled together nearly one million face masks and gave them to our staff and their families." She added: "It is only when the staff can feel the company cares that they will develop a sense of belonging. And that will be reflected in the care they give to customers."

Angel twice stepped away from Citi. The first time was for health reasons, as she was burnt out. "The problem was not the company or the workload. It was my inability to set priorities at work and to manage the stress," she reflected. Yet after she left, she felt guilty for not standing by her colleagues to tackle the changes and challenges together. So, within a year, she returned to Citi, rejuvenated. In 2006, she stepped away from the bank for a second time. She accompanied her husband to study abroad and left the company for nearly four years. But unlike the first time, Angel was taking time off to spend with family and to learn about herself.

There Is No Need to Fear Regulation

Many people see an adversarial relationship between the banking sector and its regulators, because the

actions of regulators can limit the profits that banks can make. But Angel disagrees. She thinks that the role of regulators is to protect customers. "It is precisely because of regulations that customers use banking services with peace of mind. For this reason, we should consider regulators as friends, not foes. We should make sure that all of our products are in compliance with regulations and that we maintain a constructive dialogue with regulators. Indeed, regulators are also looking for input from the industry, especially as banking undergoes a digital transformation and past standards are in need of overhaul to keep up. The views and ideas of the industry are indispensable in the process."

With multiple virtual banks opening in Hong Kong in recent years, Angel believes that banks must learn not only to understand but to anticipate how customer needs evolve with technology: "Before COVID, many people did not know how to shop or order food online. But the pandemic has clearly shown that consumer behaviours can change in the blink of an eye." Providing outstanding customer experience is also crucial: "In the past, we needed only to list out the deposit interest rates. Now, customers want to know everything from opening an account and making a deposit to whether they will receive a notification when changes are made. Every detail influences their choice."



▲ *Angel said she picked CUHK from a number of offers. She still considers that she made an excellent choice.*

Looking at the World through Different Perspectives

Although her days of working while studying at university were tough, Angel cherished CUHK's nurturing. "Academic freedom and the general education curriculum enabled me to dip into philosophy, psychology and journalism while I studied for my BBA. Society now favours generalists. In that sense, CUHK's general education has been really ahead of its time."



▲ From her first credit card to her present work as CEO, Angel has developed a lifelong relationship with Citi Hong Kong and Macau.

For years, Angel has served as a mentor at work and in school: "I started serving as a mentor in 2006. Every time I meet a new mentee, I highlight that our relationship is not a one-year affair but one for the long-term. Every person is unique. Mentors do not just share what they know with mentees; they learn from the mentees as well. My mentees and I talk about everything from work to children, and I learn about the challenges that they face as working parents with small children."

Angel is also a Co-Chairperson of the Citi Women Affinity Asia-Pacific Steering Committee. She noted that the ratio of working women in Hong Kong is lower than its neighbouring regions. "Chinese women typically have multiple roles. They need to take care of both the older and the younger generations. I hope that more companies can be empathetic to their staff." Angel also hopes that her title as the "first female CEO" will soon fade in significance as more women demonstrate their abilities in the workplace.

“ Society favours generalists. CUHK’s general education has been ahead of its time. ”

— Angel Ng



▲ Angel likes giving back to society during her free time. For example, she has been volunteering at Teach for Hong Kong to mentor disadvantaged students.



Angel Ng

Angel Ng is the Chief Executive Officer for Citi Hong Kong and Macau. She was appointed to this position in May 2018 to oversee all the businesses across the Citi franchise in the two markets. The role entails working closely with Citi’s local, regional and global offices to execute the bank’s business strategy and maintaining strong relationships with clients, the public sector, regulators, governments, and across the Citi global organisation.

Prior to assuming the CEO role, Angel was the Chief Executive and Consumer Business Manager for Citi’s consumer banking operations in Hong Kong. Prior to Citi, she held a number of senior roles at Procter & Gamble and CLP Power Hong Kong. She began her career with HSBC.



FinTech: Friend or Foe to Financial Stability?

Research finds that FinTech innovations can enhance the stability of financial institutions in emerging markets and even improve their profitability

The rapid development of financial technology, also known as FinTech, in recent years has transformed how people use financial services. On the one hand, the increasing use of automation in banking services has brought with it greater convenience for consumers. On the flip side, the advent of new technological developments such as cryptocurrency, high frequency and algorithmic trading, the rise of the digital wallet or peer-to-peer (P2P) lending, are all examples of FinTech that have brought new challenges to traditional financial service providers to some extent.

Given the disruptive influence of FinTech, it was only natural that a group of researchers sought to closely examine its effects on the stability of traditional financial institutions. What they found was that the result very much depended on the market. The stability of financial institutions usually refers to the ability of these institutions, such as banks, brokerage firms or credit unions, in performing their roles in financial transactions or other intermediation functions without assistance from external forces such as the government. The promise behind FinTech is that it would help financial institutions to enhance transparency, efficiency and make its services more convenient for users. For example, mobile banking has allowed consumers to conduct their daily financial activities, such as transferring funds or paying bills, without the need to talk to a teller or visit a bank branch.

“Regulators should give up on the idea of a one-size-fits-all regulation for FinTech.”

– Prof. Jason Yeh

On the downside, Fintech could amplify volatility in financial markets and make the financial system more vulnerable. For instance, the speed and ease of moving cash between banks in response to financial market performance enabled by FinTech can increase volatility. The heavy reliance on third-party service providers for the FinTech activities could also pose a systemic risk to financial

institutions. Finally, online lending platforms often fail to conduct effective credit checks on borrowers, which can lead to higher default risk.

For example, China's P2P lending industry, once the world's biggest, has completely collapsed in just a few years. Many Chinese P2P lending platforms were plagued by fraud, defaults and even alleged Ponzi schemes, which eventually led to a government crackdown. The Deputy Governor at People's Bank of China Chen Yulu announced in January that it had eliminated all P2P lending platforms in the country, however more than 800 billion Chinese yuan in debt is still left unpaid, state media Xinhua News reported.

More recently, two of China's homegrown FinTech champions, Ant Group and Tencent, are coming under intense regulatory scrutiny by domestic regulators over business models that some worry will lead to a dangerous accumulation of systemic financial risk.

Yin Versus Yang

“Where there is light there must also be shadow,” says Jason Yeh, Associate Professor in the Department of Finance at The Chinese University of Hong Kong (CUHK) Business School, and one of the authors of a new study. “Given the disruptive nature of technology, the rise of FinTech is bound to have an impact on traditional financial institutions. So it's kind of fitting that we find that the bright and dark sides of FinTech seem to offset each other and the promotion of FinTech doesn't necessarily make financial institutions more vulnerable.”

Titled “Friend or Foe: The Divergent Effects of FinTech on Financial Stability”, the study was co-conducted by Prof. Yeh with Profs. Derrick Fung, Wing-yan Lee and Fei-lung Yuen at The Hang Seng University of Hong Kong.

To examine the impact of the rise of FinTech on the stability of financial institutions, the researchers looked at the introduction of FinTech regulatory sandboxes. A FinTech regulatory sandbox is a way for a financial regulator to allow companies to try out new business models, products or services (under a controlled and supervised environment) that are not covered or permitted by existing legislation. The first such sandbox was introduced in the UK in 2016. Since then, 73 similar initiatives have been set up in 57 countries around the world, according to the World Bank.

The team sampled all listed banks worldwide that were active on the Thomson Reuters Datastream platform between 2010 and 2017. Their final sample included 1,375 banks from 84 countries. Using a common measurement of bank stability, the research team found that the introduction of sandboxes did not have a statistically significant impact on the financial stability of the institutions in the same jurisdiction.

They found that the positive and negative effects of these FinTech sandboxes on financial stability tended to offset each other after discounting for the characteristics of individual firms or markets, or macroeconomic and other bank-specific factors. In general, they also found that FinTech increases the stability of financial institutions in emerging financial markets and decreases it in developed financial markets.

Boosting Stability and Profits

Looking at specific market characteristics, the study also found that the promotion of FinTech through the setting up of regulatory financial sandboxes can at the very least enhance the stability of financial institutions if the market has low financial inclusion, with:

- A bank branch ratio of less than 11.7 per 100,000 adults;
- A central bank assets to GDP ratio of less than 1.6 percent;
- An industry-wide bank net interest margin of less than 2.4 percent; or
- A provisions to nonperforming loans ratio of less than 44.2 percent.

On the other hand, the launch of financial sandboxes in markets with high financial inclusion can undermine financial stability, the study found.

Moreover, Prof. Yeh says that FinTech can also improve the stability of financial institutions by boosting profitability. According to the study, when a country has fewer bank branches than 11.4 branches per 100,000 people, a central bank assets to GDP ratio of less than 1.7 percent, bank net interest margin of less than 2.2 percent, or a provisions to nonperforming loans ratio of less than 45.6 percent, promoting FinTech by setting up regulatory sandboxes can increase the profitability of financial institutions.

But why does FinTech enhance the profitability of financial institutions in emerging financial markets? The authors speculated this may be due to three reasons. First of all, FinTech has been widely adopted in emerging financial markets and has greatly increased the profitability of the banks that invested in these FinTech start-ups. Second, the operational efficiency of the banks in emerging financial markets improved as a result of collaboration with technology companies. Third, the products provided by FinTech companies are often complementary to the existing services provided by banks. These banks gain more customers as a result, and the complementary effect is greater in emerging financial markets.

“FinTech is disruptive but it is also a force for emancipation. Not only has it democratised the access to financial services

for the masses in emerging markets, but it also plays a pivotal role on the road to greater financial inclusion,” Prof. Yeh says.

Policy Implications

As the FinTech industry continues to grow, policy makers and financial institutions are seeking ways to reap the benefits of technology further. Prof. Yeh and his co-authors think that their research findings can help policy makers and regulators to better utilise FinTech in different markets.

For developed financial markets, the researchers advise regulators to focus on implementing measures that can address the instability caused by FinTech. In contrast, regulators in emerging financial markets should consider designing specific measures to promote FinTech innovations.

“Regulators should give up on the idea of a one-size-fits-all regulation for FinTech,” Prof. Yeh comments. “What they need is to come up with a tailor-made framework that matches the characteristics of their own financial markets.”



Prof. Jason Yeh

Prof. Jason Yeh is Associate Professor in Department of Finance at CUHK Business School. He earned the Associate designation from Society of Actuaries, received his Bachelor of Science in Electrical Engineering and Master of Arts in Economics from National Taiwan University, and PhD in Actuarial Science, Risk Management and Insurance from University of Wisconsin – Madison. He served as adjunct research fellow of China Centre for Insurance and Social Security Research at Peking University, and of Centre for Prediction Market Research at National Chengchi University. His research papers have been published in several insurance and finance journals including Journal of Risk and Insurance, and received awards including Wu Chia-lu Best Paper Award at the 18th Conference on the Theories and Practices of Securities and Financial Markets.

Can Being Promoted to Leadership Change Who You Are?

New research finds people adapt and grow more conscientious when promoted to supervisory roles at work

“It’s not who I am underneath, it’s what I do that defines me,” so says the titular hero from the 2005 blockbuster, *Batman Begins*, starring Christian Bale as the billionaire caped crusader. Instead of the hero Batman, a group of academics were inspired by what is probably one of the more profound lines in modern cinema and sought to find out whether people, as the quote suggests, do shape fundamentally who they are.

Specifically, it led Li Wendong, Associate Professor in the Department of Management at The Chinese University of Hong Kong (CUHK) Business School, to team up with seven other academics to examine whether taking on a leadership role — along with the added job responsibilities — can actually change people’s personality traits.

Prof. Li and the other researchers involved in the study titled “Can Becoming a Leader Change Your Personality? An Investigation with Two Longitudinal Studies from a Role-Based Perspective” hoped to find evidence that, rather than personality traits remaining relatively stable as traditionally assumed, they could change and develop during a person’s adult years.

“After becoming leaders, individuals enhanced their levels of conscientiousness and became more dependable, organised and efficient.”

— Prof. Li Wendong

“One of the crucial factors in driving adult personality development is taking on new roles at work,” he says. “As they take on wider responsibilities and play more important roles in organisations, novice leaders are expected to be more conscientious than when they were employees – more efficient, organised, vigilant, achievement-oriented, and dependable to subordinates.”

“Fulfilling the expectations and responsibilities required by leadership roles also means leaders must deal effectively with uncertainties and changes. Therefore, leaders need to be able to remain calm, and handle negative emotions in response to stress.”

The Big Five

The academics looked for changes in two of the so-called “Big Five” personality traits: conscientiousness, the tendency

to be dependable, achievement oriented, reliable, organised, and to carry out one’s job or duty well and thoroughly – one of the best predictors of both leadership and job performance – and emotional stability, another desirable trait among leaders, which means a person can remain calm and deal with stressful situations and handle adversity effectively. The other traits in the Big Five are openness to experience, extroversion and agreeableness.

Prof. Li carried out the research alongside Prof. Shuping Li of Hong Kong Polytechnic University, Prof. Jie Feng of Rutgers University, Prof. Mo Wang of University of Florida, Prof. Michael Frese of the Asia School of Business and Leuphana University of Lueneburg, Prof. Chia-Huei Wu of the University of Leeds, as well as CUHK Business School PhD candidate Hong Zhang.

They tested their ideas in two studies using publicly available US and Australian databases, which compared the personality development of individuals at different stages over lengthy periods. People were split into a “becoming leaders group”, for employees who were promoted into leadership roles, and a “non-leaders group” for those staff who remained as employee across time.

The research found that moving into leadership roles led to an increase in a person’s conscientiousness, and found no significant changes in people’s emotional stability in either study.

“The results of the two studies supported our hypotheses regarding the relationship between becoming a leader and the subsequent small, but substantial increases in levels of conscientiousness over time and the mediating effect of changes of job demands,” Prof. Li says.

They shed light on what, how and why personality traits change over time after a person takes on a supervisory role, and why the characteristics develop after people take on jobs where they face increased demands.

Prof. Li said insights gained from this research will help businesses better manage career development and plan leadership succession – a crucial issue for the sustainability of organisations.

“We suggest organisations consider assigning staff with informal leadership roles as a way to encourage them to develop management capabilities,” he says. “This may help them to develop the types of behaviour and traits associated with conscientiousness and prepare them for their future tasks.”

“We also encourage organisations to broaden the scope and content of training to include personality development and also focus on more holistic forms of leadership development.”



Prof. Wendong Li

Prof. Wendong Li is an Associate Professor in Department of Management at CUHK. Prof. Li conducts research on proactivity across a number of areas, including leadership, work design, and well-being. He is intrigued by how people are willing and able to modify, but also adapt to, their environments. His work examines individual and environmental factors that may prompt proactivity, as well as the consequences of being proactive. His research has been published in leading management journals and covered in media outlets. His work has won the Hogan Award for Personality and Work Performance, Society for Industrial and Organisational Psychology, the International HRM Scholarly Achievement Award and Best Student Convention Paper Award from the Human Resources Division, Academy of Management, as well as the Best Paper Award in the OB Division, Asian Academy of Management.



WATCH PROF. LI'S RESEARCH VIDEO

Personality Shifts

One study consisted of 61 people in the becoming leaders group and 128 in the non-leaders group and used US data selected from three different time periods – firstly between 1995 and 1996, then after 10 years and finally after 20 years. The other study comprised 342 people in the leaders group and 675 in the non-leaders group, and used Australian data selected at four-year intervals from 2005, 2009 and 2012.

“Consistently, results from both of the studies showed that after becoming leaders, individuals enhanced their levels of conscientiousness and became more dependable, organised and efficient,” Prof. Li says. “For them to carry out these leadership roles successfully over time may lead them to become so used to adopting such behaviours that they become a habit and then ingrained as personality traits.” He says the study could stimulate further research into the idea that “people are both producers and products of social systems”.

Earlier studies had examined influences of major life events, such as nailing a first job, marriage, and unemployment on personality development, and the influences of job satisfaction, characteristics, insecurity, income and occupational status. But the latest study extends this line of research by examining personality development after becoming a leader and, more importantly, a change in job demands, Prof. Li says. “Although personality traits are relatively stable, they were also prone to change – even if the transformation is not always dramatic.

“Not all people react to a change in the same way and what we discovered in this paper was a general trend. Future research can examine individual differences in the speed, timing, and magnitude of personality changes.”

The researchers highlighted two concerns. Firstly, previous research suggests that highly conscientious staff may not be able to adapt well to new environments and will lack the necessary creativity. Secondly, companies may need to provide training to leaders to help them balance the benefits and possible disadvantages – such as a more volatile working environment and reduced flexibility – associated with increases of conscientiousness.

The latest research, therefore, has important implications for employees when managing their future careers.

“People need to weigh up the benefits and costs of taking on a management role.”

— Prof. Li Wendong



“Although promotion will lead them to develop greater levels of conscientiousness at work over time, it can also see them become less adaptable and creative. Taking on extra job demands may also increase the levels of stress they face and have a detrimental effect on their wellbeing.”

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How to Spot and Avoid Greenwashing in Supply Chains

Research draws attention to practice of firms greenwashing their CSR by disclosing supply chain relationships with “green” but concealing “brown” suppliers

The days of running businesses solely for profit are long gone. Businesses, large or small, must make considerable efforts to be socially responsible and eco-friendly.

A past survey shows that 91 percent of global consumers expect businesses to address social and environmental issues, and 90 percent of them would boycott a company if it were engaged in irresponsible business practices.

In other words, corporate social responsibility (CSR) is not only a buzzword, but vital for businesses to be successful nowadays. However, it is not always easy to tell whether a company is really doing good or just faking it, and as a recent research study looks at depth, some firms would voluntarily publish their supply chain relationships with “green” suppliers to fake a good CSR brand.

Titled “Corporate Social Responsibility in Supply Chain: Green or Greenwashing?”, this research study is the first to examine greenwashing behaviour of firms by looking at the voluntary disclosure of their suppliers. It was co-conducted by Jing Wu, Assistant Professor in the Department of Decision Sciences and Managerial Economics at The Chinese University of Hong Kong (CUHK) Business School, Yilin Shi, an incoming PhD student at CUHK Business School, and Prof. Yu Zhang at Peking University. The researchers found greenwashing to be common in the 42 countries who are the world’s major economies. The team looked at around 7,600 public manufacturing firms globally and observed over 120,000 unique firm-supplier relationships from 2003 to 2019.

“It is just not enough for firms to show the ‘green’ image of themselves to the world to demonstrate their efforts in CSR. Our results show that firms now selectively reveal their ‘green’ suppliers to win customer trust,” Prof. Wu says.

To gauge greenwashing behaviour, the researchers first calculated a score for each of the companies in the sample based on their environmental performance. They found consistent evidence that a suppliers’ environment score is positively related to how likely their partner firm would disclose its supply chain relationship. Specifically, a one-standard-deviation increase in a supplier’s environment score would lead to a 4.2 percent higher chance of being disclosed by their customer firm. In addition, firms tend to conceal their less eco-friendly suppliers.

To rule out the alternative explanation that firms may have chosen to disclose their relationship with a certain set of suppliers based on other favourable characteristics and that these suppliers also happen to possess strong

CSR credentials, the researchers tested if firms displayed greenwashing behaviour more when the weather was abnormally hotter, an indicator of global warming.

“For example, people google more about global warming in extremely hot days and even retail investors would sell stocks of firms that produce more carbon emissions and buy stocks of more eco-friendly firms,” Prof. Wu explains. “The same goes for our study. We think that if firms greenwash because they are concerned about their CSR image, then such behaviour would be more prominent in extreme weather conditions.”

Just as theorised, Prof. Wu and his co-authors found that firms are significantly more likely to fake good CSR image by greenwashing in extremely hot weather. “We also find that when other environmental concerns trigger people’s attention to climate warming, such as wildfire outbreaks, local firms are also more likely to greenwash their images,” Prof. Wu adds.

Who Does Greenwashing?

In terms of firm size and market share, the study found that small firms and those with less market share and usually lower CSR scores are more likely to greenwash in presenting a good CSR image. This is because unlike large firms, small firms may not have the resources to invest in substantial CSR efforts and they may need to leverage the power of their suppliers. For firms facing intensive competition, faking a green image without making real CSR efforts can be a convenient strategy. When small firms are under competitive pressure, a good CSR image may help them to stand out from their rivals.

Firms that are more concerned about their public image and reputation are also more likely to conduct greenwashing. In particular, firms that spend significantly more on advertising are found to be more aggressive in supply chain greenwashing, as the strategic disclosure of their “green” suppliers would help build a better CSR image.

The researchers also found that more profit-hungry firms are likely to engage in supply chain greenwashing. According to the study, firms seeking to chase a higher return on assets (ROA) tend to hide their “brown” or less environmentally-friendly suppliers to avoid being punished for having a low CSR affiliation. The same is true for firms that are owned more by institutional investors. A firm with a good CSR image is a profitable asset in investors’ portfolios, and therefore firms might want to maintain a positive image for institutional investors. On the other hand, some institutional investors might not care about greenwashing at all as long as it brings in profits.

The study highlights that if a supplier has more institutional ownership, then a firm using this supplier is more likely to reveal their supply chain relationship. This is because a relationship with a supplier with good CSR credentials and large institutional ownership will receive more public attention, which would benefit the firm using this supplier in terms of publicity and recognition.

“ If the ‘bright’ side to CSR is a world where firms are seeking to lower their carbon footprint, what our study shows is the ‘dark’ side and how smaller/weaker firms are using it to greenwash their public image. ”

— Prof. Jing Wu



Short-term Benefit

Showing off a “green” image is not the only benefit that the firms can get out of greenwashing. The researchers found that sales in firms that disclose their suppliers with good environment ratings increased when compared with sales of the firms that disclose their “brown” suppliers. However, such an improvement in sales was short-lived. Similarly, disclosing “green” suppliers could have a positive effect on a firm’s ROA, but the effect would diminish in the long term.

Why is that? Prof. Wu explains that the public can be slow in familiarising themselves with the manufacturing process of products or the details of supply chains, so it is easy for firms to lure people with their seemingly “green” efforts in the supply chain. But, in the long run, the general public would realise that what the firms did was a mere publicity stunt. Therefore, the boosted sales and ROA would not last.

“Everyone wants to drive a Tesla, but not all of them know how the cars are made and where the parts come from. If a manufacturer tells the public that they only work with eco-friendly suppliers, then people might just fall for it,” Prof. Wu says. “Just like how retail customers are now increasingly sceptical of so-called ‘green’ products, the public would become sophisticated enough to tell whether the firms are dedicating real efforts in protecting the planet. It just takes time.”

Real-world Implications

Prof. Wu and his co-authors point out that there is a way to put a damper on firms’ greenwashing behaviour. In examining

environment-related disclosure regulations around the world launched between 2003 and 2016, they found that supply chain greenwashing typically reduces after CSR reporting and disclosure regulations are tightened.

The researchers also say that since, more often than not, environmental legislation tends to focus on the green credentials of a company’s own production and operations and pay less attention to its suppliers, it can be easy for firms to hide environmentally polluting production processes in complex supply chains. To enhance the effectiveness of regulations, they suggest countries expand their scope to include suppliers. This way, firms would not be able to only disclose the “green” suppliers and hide the bad ones. Policymakers should also consider improving the transparency of supply chains in the current regulatory framework and they should always beware of firms’ strategic and selective disclosure to boost a “green” image.

For managers, the researchers advise them to bear in mind that higher profits, either in the form of sales or ROA, brought about by greenwashing practices only last for a very short term. When people find out that a firm engaged in greenwashing their CSR efforts and with no actual interest in being socially responsible, then the short-term gains would likely disappear. “For investors, they should make an effort to detect when strategic disclosure of ‘green’ suppliers purely for CSR image purposes is happening, and realise that only truly greener supply chains can improve firms’ capital market valuation in the long term,” Prof. Wu comments. “The public can also get in on the action and help out by monitoring any suspicious supply chain greenwashing behaviour.”



Prof. Jing Wu

Prof. Jing Wu is an Assistant Professor in Department of Decision Sciences and Managerial Economics at CUHK Business School. His main research fields are operations-finance interface, economic networks, quantitative investment, and machine learning applications. Prior to joining CUHK, he served as an Assistant Professor in Department of Management Sciences at City University of Hong Kong (2016-2019). He also worked as a Quantitative Strategist at Deutsche Bank New York (2015-2016). He received his bachelor degree in Electronic Engineering from Tsinghua and both his MBA and PhD from Chicago Booth.

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How to Help Tourists Behave Better Abroad

CUHK research shows making tourists empathise with local residents can reduce misbehaviour

It's been a bad year for tourism and a boom in the travel and hospitality sector would no doubt be good for the economy. However, it could also be a nightmare for people living and working amid the flux of transient tourists.

It wasn't that long ago that we saw media reports of tourist misbehaviour from carving names on ancient Egyptian bas reliefs to chasing geishas down the streets in Kyoto. Around the world, countries are looking for ways to curb bad behaviour from tourists. Iceland, for instance, launched the Inspired by Iceland pledge in June 2017 that urges tourists to travel responsibly. Apart from implementing official rules, a recent research study reveals that poor tourist behaviour could be reduced by simply making the tourists feel closer to the locals.

To illustrate the magnitude of opportunity, international tourist arrivals fell by 72 percent in January to October over the same period in 2019, translating into a loss of US\$935 billion – more than 10 times the loss the industry suffered during the 2009 global financial crisis. The hospitality and tourism industry are hoping for “revenge travel” to take place, a riff on the concept of “revenge spending” that describes shopping starved consumers overcompensating by splurging when the pandemic is over. But how can places that seek to cash in on the return of tourist dollars do so while avoiding a return to the old days of bad tourist behaviour?

“The best advice is to remind visitors to ‘do unto others as you would have them do unto you.’”

— Prof. Lisa Wan

This is the subject of a paper titled “Tourist Misbehaviour: Psychological Closeness to Fellow Consumer and Informal Social Control”. The study is the first to examine the psychological closeness between locals and tourists and how this “psychological distance” affects tourists’ intention to misbehave. It was conducted by Lisa Wan, Associate Professor in the School of Hotel and Tourism Management and Department of Marketing at The Chinese University of Hong Kong (CUHK) Business School and her co-authors Prof. Michael Hui at University of Macau and Yao Qiu at CUHK Business School.

Psychological closeness refers to one’s feelings of attachment and connection towards other people. We tend to feel psychologically closer to someone whom we perceive as “one of us”. People who belong to the same social group are likely to follow the same set of social or cultural norms because they care about the consequences of their behaviour due to the need for approval and belongingness. In-group members are also likely to impose

informal social control on fellow members, such as showing angry looks or sharing comments on those who violate the social norms to reinforce the order of the group. However, the same social practice does not usually apply to out-group members.

In the tourism context, Prof. Wan and her co-authors explain that when people are travelling abroad, they feel less connected to locals than they would at home. In other words, tourists feel psychologically distant from locals. Since they do not perceive themselves as belong to the same “group”, it is less likely for them to comply with local norms because they are less concerned about the consequences of their behaviour and they do not expect their actions to invoke informal social control from locals. Locals, on the other hand, consider tourists as outsiders and therefore may not always voice out their disapproval of tourist bad behaviour.

In addition, the more local residents suffer directly or indirectly from the bad behaviour of the tourists, the higher the likelihood they would impose informal social control on tourists who are violating the social norms. This is emphasised when locals feel victimised or responsible for protecting the interests of their community. For example, local residents in Sai Kung – a district in Hong Kong, protested after getting upset at the influx of tourists during the pandemic and the mounting garbage problem left behind. The researchers predict that tourists would have a higher intention to misbehave when they think their behaviours are less likely to affect local residents.

“It is essential for cities and destination organisations that rely heavily on tourism sector but suffer from the influx of tourists to grasp the underlying reasons or even the motivations for tourists’ misbehaviour,” Prof. Wan says.

The Importance of Psychological Distance

Prof. Wan and her co-authors conducted three experiments to test their hypotheses. In the first study, the participants – recruited from a local Hong Kong university, were asked to imagine themselves either as tourists in Bangkok or as local residents in Hong Kong. They were asked if they would eat on a public bus, something that is banned in many cities in the world (including Hong Kong). The results show that those who imagined themselves as tourists in Bangkok reported a higher intention of eating on the bus because they feel less close to fellow passengers on the bus and consequently, they perceive a significantly lower likelihood of disapproval from other passengers.

A second study was conducted to test whether the degree to which local residents would suffer as a result of tourist misbehaviour could contribute to how likely this said misbehaviour would occur. A total of 200 American participants were asked to imagine themselves at a supermarket checkout before catching a train. They were surveyed on whether they would misuse the express checkout service (by having more

items than the supermarket's limit for the lane) in order to catch the train, which they were about to be late for.

According to the results, the participants who imagined themselves as tourists showed a higher intention to use the express checkout lane when they thought their actions would not significantly affect other customers at the supermarket. This shows that tourists would indeed consider how deeply it would affect local residents before committing misbehaviour.

In the third experiment, the researchers examined the notion of excitement and its relation to tourists' misbehaviour. The researchers theorised that excitement may lead to misjudgement on whether their behaviours are disapproved by locals. Over 200 students and staff members from a Hong Kong university were recruited for the study.

The participants were randomly told that they were tourists in Tokyo, tourists in Bangkok or non-tourists. They were asked whether they would occupy a priority seat on public transport. The results reveal that when the participants believe their actions were less likely to affect other passengers, those who imagined themselves as tourists in Bangkok were more likely to misbehave than those who imagined themselves as tourists in Tokyo. In addition, the participants who imagined themselves as tourists in Bangkok also perceive a significantly lower likelihood of disapproval from fellow passengers than they were tourists in Tokyo due to the difference in psychological distance.

Prof. Wan explains that since Hong Kong is known to be the "most Japanese City" outside Japan, it is understandable that Hong Kong people feel psychologically closer to locals in Tokyo than locals in Bangkok. Furthermore, the findings rule out the excitement factor because if it was indeed associated with tourist misbehaviour, then a higher intention to misbehave should be reported by both groups regardless of their travel destinations.

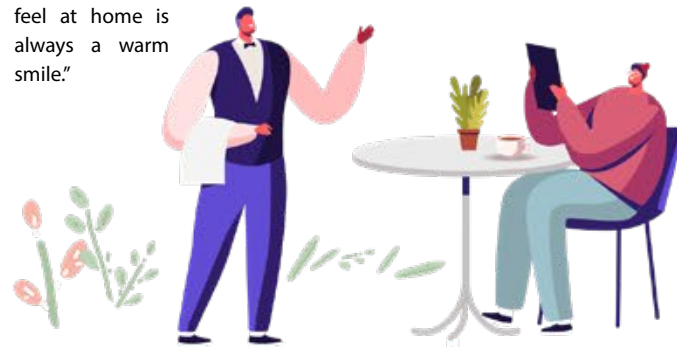
Implications for Destination Marketers

As the study results show that tourists are less likely to misbehave if they believe their bad behaviours will cause significant harm to other consumers, the researchers suggest marketers and authorities in the tourism industry to remind tourists about the negative consequences of even seemingly minor misbehaviour and for tourists to constantly put themselves in the shoes of the locals. For example, hotel managers could design table decorations that remind tourists about the bad consequences of wasting food and the unnecessary burden on locals due to their wasteful behaviour.

"At the end of the day, the best advice is to remind visitors to 'do unto others as you would have them do unto you,'" says Prof. Wan. "They need to know that their actions will cause the same level of nuisance and provoke a similar level of disapproval if they were done back home."

On the other hand, destination marketers should also remind the tourists that bad conduct may tarnish the image of their home country. Above all, marketers should try to increase the psychological closeness between tourists and local residents by highlighting their similarities, such as promoting a friendly and welcoming image of the destination and the local residents, thereby creating opportunities for healthy interactions between tourists and locals.

"For instance, Koreans and Americans both love eating friendly chicken and drinking beer. Perhaps destination marketers can think of some promotional materials based on such similarity," says Prof. Wan. "However, the easiest way to make their guests feel at home is always a warm smile."



Prof. Lisa C. Wan

Prof. Lisa C. Wan is an Associate Professor of School of Hotel and Tourism Management and Department of Marketing at CUHK Business School. She is also the Director of the Centre for Hospitality and Real Estate Research. Prof. Wan's research interests include services marketing and service failure, consumer/tourist reactions to service robots and technologies, cross-cultural consumer behaviour, consumer/tourist green consumption, and tourist misbehaviours. Her works has appeared in the top-tier marketing and hospitality journals, including Journal of Consumer Research, Journal of International Marketing, Journal of the Association for Consumer Research, Journal of Business Research, Annals of Tourism Research, Tourism Management, International Journal of Hospitality Management, and Journal of Hospitality and Tourism Research etc.

Worldly Wisdom Empowers World-class Learning

A native Australian who lived and worked in Asia for over 30 years, Prof. Paul Kitney has forged an illustrious career in economics and finance and thrived through bears and bulls.

Now, this globetrotting investment strategist and Asian economics expert is a full-time professor at CUHK Business School, where he consolidates his worldly wisdom and passes it on to the next generation for the Asian Century.



Pursuing a Love of Economics

Prof. Kitney pursued his bachelor's and master's degrees in economics at the University of Sydney, where he met an eclectic group of world-famous economists such as Prof. Gerard Debreu, Prof. John Kenneth Galbraith, and Dr. Murray Milgate – historic figures in general equilibrium microeconomics, institutional economics and Post-Keynesian economics, respectively. He was captivated by economics as an intellectual pursuit and read widely on the subject, but he was particularly drawn to macroeconomics, mathematics and econometrics. Good grades subsequently earned him the revered Reserve Bank of Australia (RBA) Cadetship. This top scholarship for economics in Australia enabled him to study his final year of university with salary before heading straight into central banking once he graduated.

After two years of working in macroeconomics and monetary policy at the RBA, Prof. Kitney's interest in finance came forth. "I was quite an avid investor in the stock market even when I was an undergraduate student. I saw early on the linkages between macroeconomic aggregates, like GDP and earnings, and equity market returns. I decided to give finance a real go," Prof. Kitney reminisces.

However, it was 1988 and no investment bank was hiring after the 1987 crash, except in Japan. The world's then second-largest economy was exploding with a fantastic bull equity market. "I was already interested in Asia because I had taken the view that the Asian economy was going to take off." So, he joined Nomura in Japan and began a lifelong career in Asian economics and finance, which would see him shuttle between Hong Kong, Japan and Singapore for the next three decades to come.

Steering a Career in Asian Economics and Finance

For more than a decade, not only did Prof. Kitney develop a speciality in Japanese and Asian equities, he also witnessed Japan's Lost Decade unfold from a front-row seat. "I went

through Japan's short period of its rise and then a long period of its decline and saw all the lessons that you could learn from some of the policy mistakes that were made."

In late 2002, after spending around two years as a strategist at Morgan Stanley in Japan, Prof. Kitney was transferred to New York to work for the investment bank's proprietary trading team. He was trained with some of the greatest minds on Wall Street and learnt the ropes in fundamental equity and quantitative portfolio management. Gaining these new skills proved transformative, as it empowered him to evolve his strategy from being a Japan-focused hedge fund to being Pan-Asian.

This integrated strategy enabled Prof. Kitney to generate a positive return in 2008 when most fund managers fell short. It remains a significant achievement that he is proud of till this day.

Completing a PhD to Answer Economics' Big Questions

Having amassed a wealth of knowledge and real-world experience over two decades, including a two-year stint running his own hedge fund in Singapore, Prof. Kitney decided to go back to school in 2010 and complete a PhD in economics from The Australian National University, focusing on macroeconomics, monetary policy and macro econometrics.

"I collected all this real-world experience between my undergraduate and my PhD, including navigating the Asian financial crisis, the Long-Term Capital Management (LTCM) crisis, the Argentinean crisis, the dotcom bubble and the global financial crisis. I had a clear idea about what questions I wanted to answer in my PhD studies." He was particularly interested in looking at the role of financial factors in the setting of monetary policy, a novel topic at the time. After spending nearly five years in research, he produced a thesis entitled "Essays on the Role of Financial Factors in Monetary Policy – Theory and Evidence".

Hopping from Industry to Academia

Taking time off from the fast-paced finance industry also gave him the space to reflect. "I wanted to do something for myself intellectually, to give myself the optionality to teach and to give something back to the next generation if I got the right opportunity"

That opportunity came in 2017. While he was working for Daiwa Capital Markets in Hong Kong, he met Prof. Kalok Chan, the Dean of CUHK Business School at the time, and Prof. Vernon Hsu, then Chairman of the Department of Decision Sciences and Managerial Economics. The offer of being hired as an adjunct professor provided him with the chance to continue working full-time while exploring teaching part-time.

After two years of part-time teaching, in August 2020, Prof. Kitney took up full-time professorship, a joint appointment

between the Department of Finance and the Department of Decision Sciences and Managerial Economics. He now teaches a total of six courses – three in each department.

Marrying Abstract Theory with Real-world Cases

Prof. Kitney considers his "net add" to be his real-world experience and decades-long expertise in Asian economics and finance. It enables him to teach theory and marry that with real-life cases that he lived through himself. He believes this will help students grasp abstract textbook concepts better and learn more thoroughly. "For example, when I am teaching about central banking and regulation and the impact of the financial crisis on regulators, I can explain the various nuances and get more granular and specific than textbooks about the real world in practice."

An additional benefit to studying current cases is that the cases are still unfolding and the outcome is unknown. By analysing these cases with the students, examining the macroeconomic implication and deciding on the tools, theories and models to apply, students can go from being a consumer of research to becoming self-reliant and thought-leaders themselves.

"We can conjecture using the theory that we have and make them think laterally about how they are going to attack this problem. If you make the wrong model choice, you are going to be wrong; no matter how rigorous you are, no matter how precise you are."

“ By analysing cases, examining macroeconomic implication and deciding on the tools, theories and models to apply, students can go from being a consumer of research to becoming self-reliant and thought-leaders themselves. ”

— Prof. Paul Kitney

In addition to helping students hone their technical and data interpretation skills, both of which are indispensable in today's financial world, Prof. Kitney wants students to harness another essential skill—the ability to express their thoughts in writing. "If you cannot write, how are you going to communicate the results of your work?" He pointed out that financial firms are increasingly evaluating people by whether they can express themselves in writing and verbally in public speaking.

Embracing the New Life in Teaching

Having taught for over three years now, Prof. Kitney said what gratifies him the most is seeing students work hard on the challenges that he presents them with and receiving their

trust to be their career advisor or confidant. He maintains a friendly relationship with them; after each course, he used to treat all of his MBA students to drinks and undergraduate students to ice-cream parties. This year, because of COVID-19, the tradition continued over Zoom with no less fun.

Prof. Kitney is now developing two new courses and putting a new curriculum together. He is planning a central banking course and a macro investing course to add to the Business School's curriculum. Additionally, he will refine MBA's macroeconomics and microeconomics courses.

Prof. Kitney is also optimistic about Hong Kong's prospects in the new normal. He foresees the city's recovery to be faster than many other countries. "Coming back to economic theory, you have the Chinese economic background recovering, and at the same time, you have the fixed exchange rate in Hong Kong with monetary policy set by the Federal Reserve. So, you have all this easy monetary policy stimulating the Hong Kong economy and an external environment starting to improve." He adds: "Hong Kong will continue to be an important financial centre in Asia. There are tremendous opportunities here. I think we are going to do just fine."



Prof. Paul Kitney

Prof. Paul Kitney has over 30 years' experience in Asia-Pacific central banking, investment banking and as a hedge fund manager. He worked at firms such as Morgan Stanley, Blackrock and recently at Daiwa Capital Markets as Chief Equity Strategist (APAC). He has been a regular guest on CNBC and Bloomberg TV as an expert on global monetary policy, Asian economies and markets.

His academic research focus is monetary economics and financial frictions, publishing peer-reviewed articles in this field. Prof. Kitney teaches economics courses, bringing real-life events and cases together with economic theory – covering economic events and policy developments affecting China, Asia-Pacific and the global economy. He also teaches finance courses on money, central banking and finance; and investment courses focusing on derivative/hedge fund strategies and macro investing. In 2018, *Business Because* magazine named Prof. Kitney in a list of emerging professors around the world who should be on MBA candidates' radars.



WATCH PROF. KITNEY'S STORY



Cultural Agility Opens a Kaleidoscope of Opportunities

Yuka Goto (IBBA, Year 3) is always looking for novel experiences in unusual places. She follows the motto: "If you are not different from who you were 12 months ago, you did not learn enough."

When the pandemic shut down physical classes and put a cap on social activities, this Japanese international student swiftly pivoted. She uncovered opportunities in diverse cultures, settings and geographies. And she continued to cultivate her abilities at full tilt to maintain her dash towards becoming a professional marketer.

Step Out to Step Up

Yuka has been hopping across cities and cultures since a young age. She attended primary school in mainland China, and secondary school in Macau. She was intrigued by Hong Kong, "the most important business centre in the world", and became fascinated by The Chinese University of Hong Kong (CUHK) after hearing positive feedback from an alumnus of her secondary school.

Despite her love of new experiences and having spent a sojourn in Hong Kong, Yuka was apprehensive about coming alone for university. When she learnt that CUHK offers a weeklong summer incentive programme for high school students, she decided to give this amuse-bouche of CUHK a try. Almost immediately, Yuka was captivated by CUHK's family-oriented environment.

"Everyone was very caring. During orientation, our Jo Ba Jo Ma (current students who help new students acclimatise to the university) showed us around and shared their experience with us."

"I enjoyed the highly interactive and interesting classes that we had, which encouraged us to unleash our innovative energy. I could see myself enjoying this inclusive, practical and diverse environment."

— Yuka Goto

Sating an Appetite for the New

Coming from a family of businessmen, Yuka enrolled in the Integrated BBA (IBBA) Programme, which allows students to acquire a broad set of business knowledge during Year 1, such as finance, marketing, accounting and operations management, before choosing concentrations in Year 2. With her fascination with media and communication, Yuka picked marketing and journalism as her concentrations.

Studies aside, Yuka leapt on to the extracurricular activities that CUHK offered. She joined the softball team and took part in the Academic Cup Case Competition 2020 and the CLSA Investors' Forum 2020. Additionally, she participated in the IBBA's global

experiential learning programmes, spending a month at Peking University to attend a summer exchange programme in journalism and partaking in a virtual cultural exchange with Waseda University in Japan.

Yuka also joined a study trip to Prague towards the end of 2019. "It was my first study trip and my first visit to Europe. I was very excited. Other than taking a class at the Prague University of Economics and Business, we had a few days to travel around different cities in the Czech Republic to learn about their cultures and history."



▲ Yuka participated in a study trip to Prague to be engaged in lectures, workshops, company visits and cultural activities.

One Door Shuts and Another Opens

Yuka's global and social adventures were soon interrupted by COVID, but she quickly adapted. "Given the uncertainty and the changes, I knew I had to spend my time wisely." She joined CUHK's mentorship programme to connect with professionals and learn about the industry. She also started cold-emailing on LinkedIn to build her network and seek opportunities.

Fortune favours the bold, and Yuka's proactiveness soon led her to mentors, industry connections and a string of internship opportunities. One of Yuka's cold emails reached Leo Wong, a CUHK Executive MBA (EMBA) alumnus who currently works in L'Oreal as a Marketing Director. Leo offered Yuka many suggestions on what she could do to improve herself, strengthen her network during the pandemic and differentiate herself from others.

Tencent 腾讯



▲ Yuka (2nd from the right) with the other interns at Tencent office. She met her mentor, CUHK alumnus Roy Ngan, during her internship with Fusion Bank.

"He understood that I wanted to do media-related and event management work, but he reckoned that I would be limiting myself if I focused only on these fields. Instead, he suggested I work in an advertising company so that I can gain exposure to other areas, such as copywriting, marketing research and customer behaviour analysis, and broaden my perspectives."

Nothing Ventured, Nothing Gained

Yuka followed Leo's advice and took up an internship at Uth Creative, an advertising company where she helped publish advertisements and assisted in graphic designs. Following this, she cast her net even wider, taking up a business development internship at Tencent's Fusion Bank and later a marketing coordinator position at Candy Magic, a Japanese FMCG company.

In addition to gaining practical skills, such as in communication, collaboration, critical thinking and situational awareness, Yuka honed some of the most critical technical skills for marketers today, including data visualisation, CRM applications and digital media.

The internship at Tencent was especially remarkable. "I joined the tech giant while they were launching their virtual bank, Fusion Bank, in Hong Kong. Part of my job was to come up with proposals for new services to help differentiate Fusion Bank from rivals. By talking to my mentor Roy Ngan, also a CUHK alumnus, and doing a lot of research, I developed a few proposals for new WeChat services. It was my first encounter with this area and a very complicated process, but I managed to get it done. My ideas even earned the appreciation of senior managers." In fact, Tencent's patent team subsequently developed a patent application based on Yuka's proposals and received a patent from the Chinese Patent Office.

Unfolding New Horizons

Yuka plans to explore more industries before graduation. She hopes to maximise the opportunities available to students and identify the fields that interest her the most. Down the line,

her sights are set on the Greater Bay Area and its panoply of opportunities. "I also want to be a mentor at CUHK to give back."

As she looked back at this unusual year, Yuka was happy to have lived up to her motto. "It kept me continually fighting for new opportunities to enhance myself, keep learning and find opportunities."

Yuka is now on a physical exchange at Fudan University and has just started interning at ByteDance, the company behind TikTok/Douyin, in Shanghai. By soaking up more experience from the vanguards of media and technology and embracing opportunities wherever she finds them, Yuka is setting herself up to succeed not only in the new age of marketing, but in the new age of this dynamic world.



Yuka Goto

Yuka Goto is a Year 3 Integrated BBA student majoring in marketing and minoring in journalism at CUHK. Coming from a Japanese and Chinese background, she has been hoping across different cities of the Greater Bay Area (Zhuhai, Macau, and Hong Kong) since a young age. With an interest in marketing and media, Yuka has interned at marketing firms and tech companies such as Tencent and ByteDance during her study. She strives to grow her skillsets and abilities to adapt to the fast-moving business environment, hoping to work in FMCG or tech companies in the near future.



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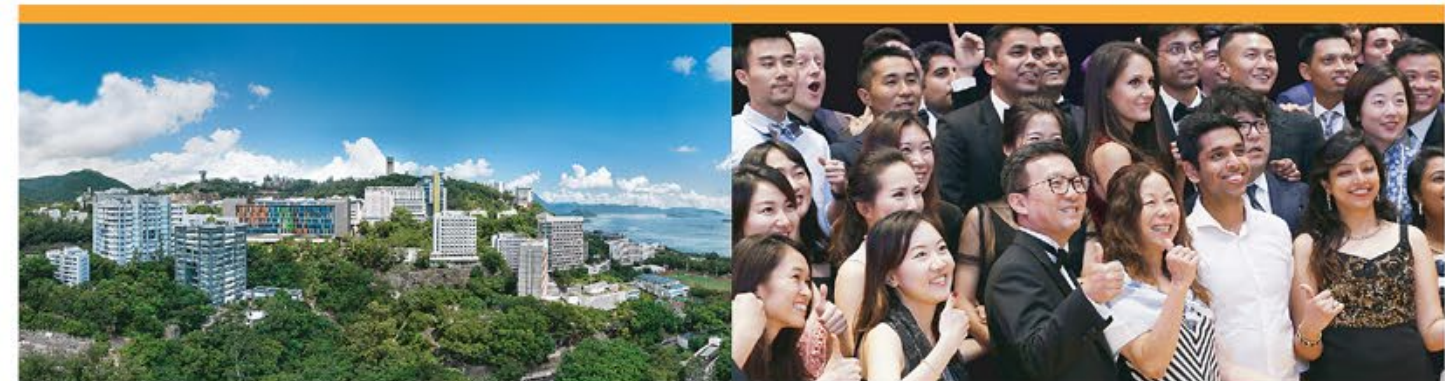
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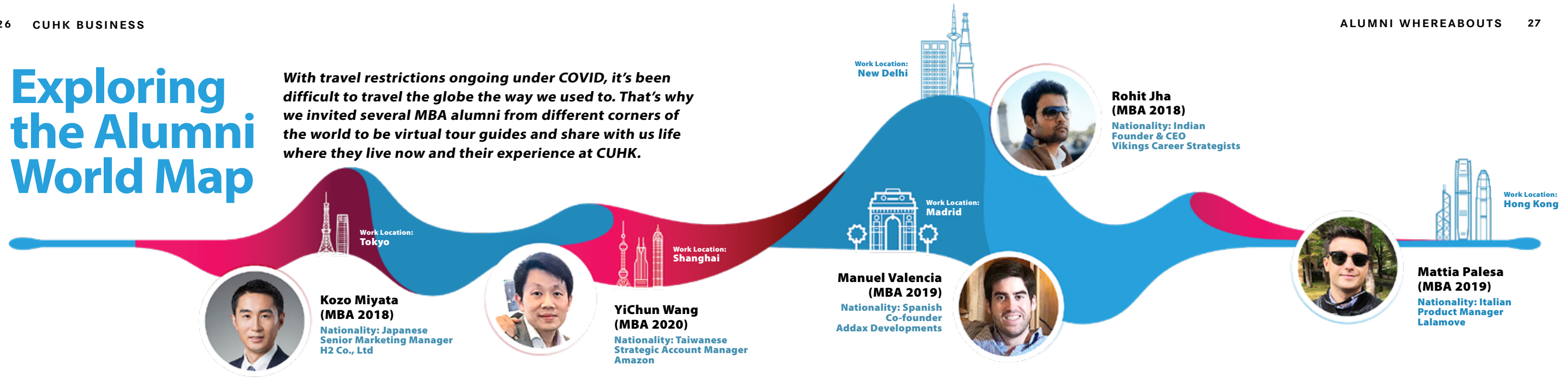


* Financial Times Global MBA Ranking 2021
[^] QS Global MBA Rankings 2020



Exploring the Alumni World Map

With travel restrictions ongoing under COVID, it's been difficult to travel the globe the way we used to. That's why we invited several MBA alumni from different corners of the world to be virtual tour guides and share with us life where they live now and their experience at CUHK.



Kozo Miyata (MBA 2018)
Nationality: Japanese
Senior Marketing Manager
H2 Co., Ltd

Work Location:
Tokyo



YiChun Wang (MBA 2020)
Nationality: Taiwanese
Strategic Account Manager
Amazon

Work Location:
Shanghai



Work Location:
Madrid



Manuel Valencia (MBA 2019)
Nationality: Spanish
Co-founder
Addax Developments

Work Location:
New Delhi



Rohit Jha (MBA 2018)
Nationality: Indian
Founder & CEO
Vikings Career Strategists



Mattia Palesa (MBA 2019)
Nationality: Italian
Product Manager
Lalamove

Work Location:
Hong Kong

Q1. Tell us about the life where you live now.



Tokyo is the capital and most populous prefecture in Japan. The city is the political and economic centre of the country. People bring information and knowledge here and many entrepreneurs start their businesses here. Moreover, because of well-developed IT infrastructure, Tokyo has huge potential for start-ups.



Shanghai shares a similar culture with Taipei and Hong Kong, but it also has different a way of life. After a year of study, internships, as well as my life experiences in CUHK, I quickly adapted to life in Shanghai.



New Delhi, the capital of India, is known for its rich culture, political set-up, and as being a land of opportunities. It has some of the best opportunities in IT, finance, and the public sectors.



Spain is full of untapped opportunities. Right now, like the rest of the world, the COVID emergency is challenging but I am pretty sure we will all overcome it. The country has the same comforts as any other Western European country but with pluses in climate, food and rich history.



Hong Kong is filled with vivacity and culture which makes it hard to get bored exploring. Living here is a great place from where to explore Asia, to learn about the culture and to meet a variety of people from different corners of the world. It's kind of like travelling across the world to get exposed to cultures through people – except, it's all in one place.

Q2. What is the one thing you miss from your studies at CUHK Business School?



After working for six years, I still cherish my previous life as a student very much. I loved the hustle and bustle of the Town Centre classroom in Central, as well as the quiet environment of the Shatin campus.



There is a lot that I miss, such as hanging out at Postgraduate Hall, the library, working in study groups with diverse people, sports, and the coffee at the cafe in the Business School building.



I miss being surrounded by people with whom I can talk about anything with a deep level of knowledge on many topics. Most of all, I miss the high of walking out of the last final exam, knowing that I just took another step towards my ultimate goal in life. That feeling is remarkable and truly irreplaceable!



I really miss the vibrant environment of the School, which has everything to do with it being in Hong Kong and the dynamism and fast-pace that being part of the Pearl River Delta entails. I will definitely be returning in order to get an even better grasp of it!



We did business trip to Taiwan which we made much discussion on diverse topics from business, culture and so on until the early hours! If we had time, I would like to do it with the same members again.

Q3. What did you learn in CUHK Business School that impacted your life?



The School gave me a great platform to make a “triple jump” – change of geography, job industry and function. With an all-round academic experience, rigorous career services and helpful professors, it gives you all the tools you need to make the change. The MBA programme has strengthened my leadership and teamwork skills, and expanded my international network. All this had prepared me to land my current position.



At CUHK, I learnt to think outside the box and look for new opportunities. CUHK encouraged me to push the envelope and to be an entrepreneur!



It has been a memorable experience and CUHK actually fuelled my entrepreneurial spirit. That is also one of the reasons why I became an entrepreneur. It had the right mix of courses, interaction with a diverse crowd, networking in Hong Kong, live projects, and field trips. All of this equipped me to think like an entrepreneur and evolve as a business leader.



Time planning and management is an important lesson I learned at CUHK Business School. During my MBA, I needed to do internships, take classes, study, and join networking events and talks. I learnt to create the greatest value within a limited time and develop deep friendships with classmates.



I learnt much about Asian business and updated this knowledge every day. I was also able to connect with alumni who work in Asia, and the friendship we developed from this has grown strong and will continue forever!

Q4. Which industry do you see strong business potential where you are?



Medical and IT. Because of COVID-19, because things are dramatically changing and the Japan government also supports their development.



India is a land of immense opportunities with the youngest working population and a huge market of 1.3 billion. The key sectors currently booming in India are technology, education technology, and there is a huge potential in healthcare, infrastructure, and manufacturing.



In Italy, the agricultural and food industry accounts for over 1.3 million SMEs, making up approximately 5% of GDP. The Made in Italy food industry is admired by many. This ecosystem is characterised by a number of strong points, but that's being squeezed by several sustainability issues. The introduction of new technologies is an answer for an old and stale sector. In the current economy, 'agri-food' (agriculture and food) refers supply chain that eclipses everything that transpires from the farm to the table.



I think the integration of online and offline teaching has strong business potential in Shanghai. With the development of digital technology, e-commerce and video games, the next trend will see the transfer of educational resources (including corporate training) to a virtual setting and its integration with face-to-face teaching.



I see strong potential in elderly care in Spain because many northern Europeans come here to retire and services related to this industry are always needed. Also, Spain is the second top automobile manufacturer in Europe after Germany so there are always opportunities here. But where I see most potential is in real estate and the hotel industry in which I am an entrepreneur!



Empowering Hong Kong's Innovation with a Corporate Innovation Index

CUHK Business School announced the development of a Corporate Innovation Index (CII) that will serve as a management and assessment tool to cultivate an innovation culture and to enhance capabilities and achievements in technology adoption among large corporations and SMEs in Hong Kong.

Funded by Innovation and Technology Commission of the Hong Kong Government under the General Support Programme, CUHK Business School's Asia-Pacific Institute of Business (APIB) will take charge of the CII project. It plans to establish a conceptual framework of corporate innovation that best fits the Hong Kong business community under the digital age, as well as to develop a set of measurement matrices. CUHK APIB will work together with The Hong Kong General Chamber of Commerce (HKGCC), the project's strategic partner, to invite around 100 large corporations and 200 SMEs from six categories – including those in trading, manufacturing, distribution, services, franchising and investment sectors – for a survey. Online assessment tools, guidebooks and a series of seminars/workshops will also be available to help companies rev up their technology innovation. Details of the inaugural CII will be announced in the second quarter of 2022.

Dr. David Chung, the Under Secretary for Innovation and Technology of the Government of the Hong Kong SAR, said: "This research project, supported by Innovation and Technology Fund, dovetails well with the Government's efforts to address the upcoming challenges facing the business community by means

of a conceptual framework constructed from literature review, industrial consultations and communication forum. Other than the most commonly used measures of corporate innovation such as R&D expenditure, patent counts, patent citations and new product announcements, I am sure the Corporate Innovation Index will serve as a reliable tool for the public and business sectors to measure the innovation competence in a scientific and data-driven manner. I would like to thank The Chinese University of Hong Kong and the Hong Kong General Chamber of Commerce for their devotion in making Hong Kong an innovative city."

Prof. Waiman Cheung, Associate Dean (Graduate Studies) and Co-Executive Director of APIB at CUHK Business School, added: "In response to the Government's call for developing Hong Kong into a knowledge-based economy and a regional innovation hub, CII will raise awareness about the applications of advanced technologies and foster an innovative mindset among corporations and SMEs in Hong Kong. Emerging technologies such as artificial intelligence, biomedical science, the Internet of Things (IoT) and 5G are changing the Hong Kong economy at warp speed and scale."

Mr. George Leung, CEO of HKGCC, said: "Many companies are aware of the importance of innovation, which drives their competitiveness and ultimate success. However, knowing how to upgrade their capabilities or benchmarking their innovation until now has been very challenging. We hope that with the success of the Corporate Innovation Index, not just businesses, but the whole Hong Kong economy and society will be able to benefit and build from this index. This is precisely why we feel it is important to give it our utmost support."

School News Highlights



APR

MoU Signed Between CUHK Business School and Shenzhen Luohu District People's Government

A Memorandum of Understanding was signed between CUHK Business School and Shenzhen Luohu District People's Government on 14 April, for the establishment of the School's satellite campus at Luohu, Shenzhen. The new facility will not only allow the School to arrange teaching and learning activities for its existing programmes, but also meet foreseeable market demand by launching new programmes and training courses for senior executives. An internship base and incubation centre will also be set up to support students' career planning and development in Shenzhen and the Greater Bay Area.



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CUHK Business School Research Named *Journal of Finance's* Top 50 Cited Articles of All Time

Entitled "Disentangling the Incentive and Entrenchment Effects of Large Shareholdings," the CUHK Business School research has been named a Top 50 Cited Article of All Time by the *Journal of Finance*. The research by Prof. Joseph Fan (School of Accountancy) and Prof. Larry Lang (Department of Finance) sought to examine the forces that affect the monitoring of firm performance by large shareholders. It found that firm value rises with cash-flow rights of a company's largest shareholder but falls when this is exceeded by their control rights.



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IBCE Alumnus Awarded Forbes 30 Under 30 Asia 2021

Alumnus Alvin Cheung (International Business and Chinese Enterprise, 2016) has been awarded Forbes 30 Under 30 Asia 2021 in the Healthcare & Science category. Alvin cofounded the robotic technology startup HandyRehab in 2015. Its flagship product is a lightweight and wireless robotic glove that can assist with stroke rehabilitation. The Hong Kong-based company has raised undisclosed funding from private investors, and is supported by Hong Kong Science and Technology Parks' incubation programme as well as Hong Kong-based accelerator SOW Asia. Alvin shared, "The 5-year journey of empowering community healthcare service with robotics has never been easy. I first came across robotic technology during my undergraduate years at CUHK and I'm grateful to my alma mater where much grooming and support were provided."



MAY

Asia's First Summit of Unsolved Problems

Hosted by CUHK Business School's Hong Kong-Shenzhen Finance Research Centre, The Summit of Unsolved Problems (SOUP) was attended by over 200 guests from Hong Kong and Shenzhen, both online and in-person. The first of its kind in Asia, SOUP provides a remarkable platform for researchers, regulators and practitioners to have in-depth, secure, and private sessions to jointly address challenging business issues. With the theme of "Big Data and Financial Technology" this year, SOUP matches original ideas and the academic expertise of researchers with unsolved problems in different industries, targeting to help firms solve business problems and generate real social impact.

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