

# CONNECT

MAGAZINE OF THE CHINESE UNIVERSITY OF HONG KONG BUSINESS SCHOOL • SEPTEMBER 2018



## Building an **Innovation Nation**

*Leadership –  
A Blessing or Curse?*

*The Power of Sameness*

*Standing Out  
in the Digital Economy*

*The 3rd Hong Kong Business  
Sustainability Index*



CUHK Business School  
The Chinese University of Hong Kong



### Dean's Message

For many of us at CUHK Business School, September marks the beginning of a new school year, and uncoincidentally starts off this issue of CONNECT by taking a look at how the role of education plays into the concept of innovation.

We look at how the quality of basic education and cultural values matter for a country's innovation outcomes, especially as more countries regard innovation as one of the key drivers of productivity and economic growth. This research confirms that enhancing innovation output needs to be at the forefront of policy making.

We discuss market place practices, how being a leader has many benefits but the role also comes with tremendous pressure. Every leadership role is a major investment for most organisations, so it's important that leaders do not burn out but find a balance despite their high demand roles. Another skill set that professionals need in order to remain competitive for the ever-changing career market is networking. Top business leaders need to have the ability to connect individuals and firms which can complement each other's needs.

On a more light-hearted note, we take a reflective look at our personal qualities, and how similarities of our names, hometowns or other personal traits that alter our reaction to service failures.

Whether it is reflection upon ourselves as individuals or leaders in the workplace, I hope you will enjoy reading and learning from our business research.

**Prof. Kalok Chan**

## Profile: The Chinese University of Hong Kong

- The Chinese University of Hong Kong (CUHK) was established in 1963 after the amalgamation of existing colleges which date back to 1949.
- The Vice-Chancellor and President is Professor Rocky S. Tuan.
- CUHK has eight faculties (Arts, Business Administration, Education, Engineering, Law, Medicine, Science, Social Science) and 62 academic departments.
- CUHK is ranked 46<sup>th</sup> in the QS World University Rankings 2018 and four of its academic staff have been awarded Nobel Laureates.
- CUHK is based on a collegiate system of nine colleges.
- CUHK has 20,000 students; 4,000 of whom are from outside Hong Kong.

## Profile: CUHK Business School

- The Dean is Professor Kalok Chan.
- The Business School is comprised of two schools – Accountancy, Hotel & Tourism Management; and four departments – Decision Sciences & Managerial Economics, Finance, Management and Marketing.
- It has over 4,400 students (full-time/part-time). Each year, over 500 undergraduate and postgraduate business students enrol in international exchange programmes during the regular school term.
- CUHK Business School is the first business school in Hong Kong to offer BBA, MBA and Executive MBA programmes.
- The MBA programme was ranked 43<sup>rd</sup> in the world in 2018, and the EMBA programme was ranked 32<sup>nd</sup> in the world in 2017 by *Financial Times*.
- The School runs dual MBA degree programmes with HEC Paris in France; Rotterdam School of Management, Erasmus University Rotterdam in the Netherlands; and McCombs School of Business, The University of Texas at Austin in the United States. It also offers joint postgraduate teaching programmes with Tsinghua University and Shanghai National Accounting Institute in China.

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# Building an **INNOVATION NATION**



*Hong Ying-yi, Choh-Ming Li Professor of Marketing  
Principal Investigator of Culture Lab  
Department of Marketing, CUHK Business School*



*Research by CUHK Business School reveals how the  
quality of basic education and cultural values affect a  
country's innovation outcomes*

**Innovation is regarded as one of the key drivers of productivity and economic growth in a country; hence, enhancing innovation output is at the forefront of policy making.**

How do we enhance innovation output in a country? What does the quality of basic education have to do with such output? What role does our culture play? Prof. Hong Ying-yi, Choh-Ming Li of Department of Marketing at The Chinese University of Hong Kong (CUHK) Business School, has revealed some interesting answers through her research.

The research study entitled “Cultural Values Differentially Moderate the Benefits of Basic Education on Two Types of National Innovation Outputs” was led by Prof. Hong in collaboration with her former PhD students, Namrita Bendapudi and Siran Zhan.

There are two types of innovation output – creative and knowledge and technology. Creative output is calculated with indicators such as literature, print and media publishing, film and music production, whereas knowledge and technology output is calculated with indicators including patents, scientific and technical articles, ISO 9001 quality certificates.

“A lot of research has focused on the link between university education and knowledge and technology output. But the link to creative output is still unclear. We aim to fill this research gap,” says Prof. Hong who is the Principal Investigator of the Cultural Lab at CUHK Business School.

### **How Basic Education Affects Innovation Output**

The study argues that basic education is a foundation for cognitive skill development and serves as a springboard for higher education. Hence, having a high-quality basic education should aid both knowledge and technology output and creative output at the country level.

The researchers leveraged the Programme for International Student Assessment (PISA) scores of 32 nations as the measurement of a country’s basic education quality. PISA is a worldwide examination administered every three years; it measures the performance in science, mathematics, reading, collaborative problem solving and financial literacy among 15-year-old students.

To measure the output of innovation, they looked at the 2014 Global Innovation Index (GII) of the same 32 nations released by Cornell, INSEAD and WIPO. The data covers 143 countries and economies that account for 94.9 percent of the world’s population and 98.7 percent of the world’s gross domestic product. Along with the overall innovation index score for each country, the GI report also provides data on the overall innovation output of a country with creative output as well as knowledge and technology output.

As predicted, the study finds that the quality of basic education is positively related to both types of innovation outputs.

“This finding suggests that high-quality basic education provides a sound foundation for developing a talented pool of human capital that drives innovation, both in the knowledge-intensive sectors and the creative industries,” says Prof. Hong.

“It also means that cognitive skills acquired and developed at an early stage reinforce skill development at a later stage, and hence help build human capabilities and the innovative capacity of a country,” she says.

However, this is not the full story.

### **The Role of Cultural Values in Creative Process**

“The creative innovation process is influenced by a multitude of factors, and one of these factors is culture. As shown by other research, culture shapes cognition and motivation,” she says. “In the current research, the team sought to extrapolate the link between value endorsements and creativity from an individual level to a country level.”

The study used the value structure theory by Schwartz S. H. which composes ten value types: Self-Direction, Stimulation, Hedonism, Universalism, Benevolence, Conformity, Tradition, Security, Power, and Achievement. These value types are put into two broad categories – values that serve the motivational goal of avoiding anxiety (e.g., Security) and serving self-protection (e.g., Power); and those that are relatively anxiety-free (e.g., Benevolence) and foster personal growth and self-expansion (e.g., Universalism).

Specifically, self-protective values at the personal level of focus are Power and Achievement, and at the collective level, Conformity, Tradition, and Security. Self-expansive values at the personal level are Self-Direction, Stimulation, and Hedonism, and at the collective level, Universalism and Benevolence.

Linking Schwartz’s values to previous literature on creativity, self-protective values in general should undermine creativity, whereas self-expansive values should enhance creativity.

“The crucial question for educators and policy makers is whether these values would matter given a high-quality basic education. As we argued before, a high quality basic education is fundamental to cognitive skill development and eventually provides cognitive capital for the innovative industries to thrive in a nation. However, would self-protective values undermine the benefits of quality basic education on innovative outputs, whereas self-expansive values enhance the benefits?”

## Creative Output versus Knowledge and Technology Output

To find the answers, first we have to differentiate creative output from knowledge and technology output.

The production of creative output is predominantly based on symbolic knowledge, whereas the production of knowledge and technology output primarily involves the use of analytic knowledge (i.e., know-why) and synthetic knowledge (i.e., know-how).

Symbolic knowledge, which facilitates the shaping of culture and aesthetics, tends to be more embedded in the cultural context of a society as compared with the analytic and synthetic knowledge, which is based on scientific principles and practical skills, and therefore can benefit from high-quality basic education regardless of the cultural context.

“We proposed that cultural values of a nation would moderate the relationship between basic education and creative output but not knowledge and technology output. For example, low self-protective values or high self-expansion values are more favourable to creative output,” Prof. Hong explains.

To examine such moderate effect of a country’s national cultural values, the study used the Schwartz Value Survey (SVS) as the measurement. The SVS measure includes over 50 value items that are measured on a 9-point scale ranging from 7 (supreme importance) to minus 1 (opposed to my values). Examples of the value items include: Power (social power, authority, wealth) and Conformity (obedience, honouring parents and elders, self-discipline, politeness). Participants were asked to rate each of the items and the results supported the researchers’ predictions.

“Our results consistently showed that self-protective values weakened the positive effect of quality education on creative output,” she says. “But these cultural values didn’t have a significant moderating effect on the relationship between education and knowledge and technology output.”

In other words, the positive effect of quality education on creative output is weakened in countries that emphasise the maintenance of social order and discourage challenges to the status quo – as manifested in self-protective values of conformity and power.

“Previous studies have shown that individuals holding certain values (e.g., self-direction and stimulation) showed greater creative behaviours than do their counterparts who hold other values (e.g., conformity, security and power). Our research has proven that the corresponding cultural values have such effects on innovation outputs at the national level,” she says.

“The positive effect of quality education on creative output is weakened in countries that emphasise the maintenance of social order and discourage challenges to the status quo – as manifested in self-protective values of conformity and power.”

**Prof. Hong Ying-yi**  
Department of Marketing

## Implications

The study has important implications on the role of education in promoting national innovation outputs.

“Our findings offer preliminary evidence that PISA scores have a significant and positive impact on national innovation output, in terms of both creative as well as knowledge and technology pursuits. This implies that the cognitive skills students gain at the school level have a compelling effect on the innovation outcomes and consequently the economic growth of a country,” says Prof. Hong.

More importantly, the study demonstrates that this positive effect of education on creative output, in particular, is dependent on the accompanying cultural value systems of a nation.

It reveals that values that represent conformity and power do not allow for the negotiation of symbolic knowledge – a crucial component in the production of creative output – and its manifestations in ways that are inconsistent with existing societal preferences and norms.

“The benefits of a quality education system in boosting production of creative goods and services would be undermined by the presence of self-protective values that impose social sanctions on people who challenge the status quo and display behaviours that are inconsistent with existing norms,” says Prof. Hong.

**By Mabel Sieh and Fang Ying. This story was first published in China Business Knowledge @ CUHK, the knowledge platform of CUHK Business School.**

Reference:

N. Bendapudi, S. Zhan, and Y. Hong (2018), “Cultural values differentially moderate the benefits of basic education on two types of national innovation outputs,” *Journal Cross-Cultural Psychology*, 49(2), 199-222.

# LEADERSHIP

## – A Blessing or Curse?



*Li Wendong, Assistant Professor  
Department of Management, CUHK Business School*

*While being a leader has many benefits, the role also comes with tremendous pressure. What are the pros and cons of being a leader? How can organisations support their leaders to cope with stress?*





**B**eing a leader has many benefits – there is more control in the job, more decision-making power, and more autonomy at work. However, it also comes with higher expectations and thus, more stress. A good leader is expected not to just perform and deliver, but also to inspire others to perform well in good and bad times.

Is being a leader beneficial or detrimental to one's wellbeing?

There are plenty of studies on how leadership behaviours affect followers' performance and wellbeing. But, very little attention has been dedicated to the wellbeing of the leaders themselves.

A research study entitled "Is being a leader a mixed blessing? A dual-pathway model linking leadership role occupancy to wellbeing" by Prof. Li Wendong from the Department of Management at The Chinese University of Hong Kong (CUHK) Business School, has addressed this often-neglected question through an innovative approach. The study was conducted in collaboration with Prof. John M. Schaubroeck from Michigan State University, Prof. Jia Lin Xie from the University of Toronto, and Dr. Anita Kelly from the University of Groningen.

"A deeper understanding of this question may help organisations support their leaders in their efforts to cope with stress," says Prof. Li. "It may also equip employees to anticipate the long-term costs of taking supervisory responsibilities and thus make more informed career choice."

### Two Contrasting Views

Previous academic research on the wellbeing of leaders has mainly presented two contrasting views.

One perspective suggests that being a leader is detrimental to one's wellbeing as supervisory responsibilities are often associated with long working hours and heavy workloads. This view, though very intuitive, has rarely been directly examined in previous research.

The other perspective argues that leadership role may be beneficial to one's wellbeing because leaders have more autonomy than non-leaders, and therefore less stress at work. Empirical examination of this perspective has also been very limited.

Rather than limiting to view the issue from an *either-or* position, his study has taken both views and findings into account.

"Our study serves as the first step toward reconciling the conflicting views and mixed findings on this relationship," says Prof. Li, adding that their findings have provided a starting point of evidence accumulation and a potential template for future research and theory development.

### Job Demands and Job Control

In order to reconcile the two contrasting views regarding the impact of leadership roles on the job holders' wellbeing, Prof. Li and the team developed a dual-pathway model to test how leadership role is related to both job demands (which refer to the psychosocial demands at workplace), and job control (which relates to the level of discretion in how one chooses to perform one's core job).

"Leadership roles may have highly stressful demands while simultaneously conferring high levels of control. Such distinct pathways connecting leadership role occupancy to wellbeing may be mutually countervailing," Prof. Li explains.

"Thus, determining the impact of leadership roles on one's wellbeing may ultimately be a question that concerns the relative strengths of the detrimental and salutary paths."

According to Prof. Li, serving in a leadership position may enhance one's wellbeing through the increase in job control, but the position may have a negative effect on his or her wellbeing due to high job demands.

In other words, both job control and job demands have beneficial and also detrimental effects on a leader's wellbeing. The offsetting signs, revealed by the dual-pathway model, highlight the complexity of the overall relationship between leadership role and personal wellbeing.

### The Study

The researchers tested their hypotheses with four independent samples from different cultural contexts – Switzerland, China, Japan and the United States.

The Swiss cohort included a sample of 1,006 participants; the Chinese cohort of 369 participants worked in a large state-owned manufacturing company in China; the Japanese cohort included 1,027 adults from Tokyo, Japan; and the American cohort included 1,409 participants over a 10-year time-lagged design.

In the study, the researchers examined two types of psychological wellbeing: hedonic (i.e., when we feel happy from pleasure attainment and pain avoidance) and eudaimonic (i.e., when we feel happy from experiencing purpose, challenges and growth

“ Selecting and grooming employees for leadership roles is a major investment for most organisations. Therefore, to make sure the efforts do not go to waste, organisations should ensure that their leaders are not over-burdened and have ample opportunities to rest and recover. ”

**Prof. Li Wendong**  
Department of Management



in life). To examine their physical wellbeing, chronic diseases, blood pressure, and cortisol (often called the 'stress hormone') were measured.

### Key Findings

Overall, the team found that leaders reported both high job demands and high job control. They also reported steeper trajectories over time in job demands and job control than non-leaders.

In addition, higher job demands were associated with lower wellbeing whereas higher job control was associated with greater wellbeing. Such findings are consistent with the researchers' predictions and previous studies.

However, leaders who perceived higher job demands also self-reported more chronic diseases and higher blood pressure.

### Cultural Differences

In addition, the study discovered that the effect of leadership role on eudaimonic wellbeing through job control was larger in the Japan sample than in the U.S. sample.

This may be due to cultural difference, according to Prof. Li. "There is stronger endorsement of power distance as a value in Japan than in the United States. Thus, gaining control at work may have more pronounced effect for the Japanese than the Americans," Prof. Li explains.

"Future research may further examine how cultural values may shape the influence of leadership role occupancy on one's wellbeing," he says.

### Implications

"Our research provides an important first step in assessing how distinct work characteristics may explain the relationship between being a leader and a non-leader's wellbeing," Prof. Li says.

"In terms of practical implications, organisations should seek to ensure that their investment in leaders is not compromised by low levels of leaders' wellbeing that may discourage nascent leaders from continuing in their careers as leaders," he adds.

Selecting and grooming employees for leadership roles is a major investment for most organisations. Therefore, to make sure the efforts do not go to waste, Prof. Li also suggests organisations should ensure that their leaders are not over-burdened and have ample opportunities to rest and recover. On the other hand, leaders themselves may consider delegating more to decrease their job demands.

"Identifying and implementing means to limit leaders' job demands and foster their recovery are critical to obtaining a sizable return on these investments," Prof. Li says.

**By Mabel Sieh and Jaymee Ng. This story was first published in China Business Knowledge @ CUHK, the knowledge platform of CUHK Business School.**

#### Reference:

Li, W. D., Schaubroeck, J. M., Xie, J. L., & Keller, A. C. (Accepted/In press), "Is being a leader a mixed blessing? A dual-pathway model linking leadership role occupancy to well-being," *Journal of Organizational Behaviour*.



# The Power of **SAMENESS**



*Lisa Wan, Assistant Professor, School of Hotel and Tourism Management  
Director of Centre for Hospitality and Real Estate Research  
CUHK Business School*

*Whether it is our name, hometown or personal characteristic, our similarities could alter our reactions to service failures*



**“What a coincidence!” This is a familiar line in our lives. We have all experienced that mysterious sensation – hopefully pleasant – triggered by an unexpected connection with a person. As human beings, we tend to attach meanings to this kind of surprising incidents as we hope to make sense of the ‘abnormal’ events in our lives.**

According to a recent study by The Chinese University of Hong Kong (CUHK) Business School, we sometimes do more than just giving meanings to these bewildering connections.

The study titled “The Influence of Incidental Similarity on Observers’ Causal Attributions and Reactions to a Service Failure” investigates how observers of service failures assign blame or responsibility of the events in relation to their perceived coincidences.

The study was conducted by Prof. Lisa Wan, Assistant Professor at the School of Hotel and Tourism Management and Director of Centre for Hospitality and Real Estate Research at CUHK Business School, in collaboration with Prof. Robert S. Wyer Jr, Visiting Professor at Lindner College of Business, University of Cincinnati.

“We found that when observers are not personally involved in a service failure, their inclinations to blame the provider or the customer can depend on some things that have nothing to do with the failed service but on certain similarities,” says Prof. Wan.

### **The Effect of Incidental Similarity**

Previous studies have shown that when consumers identify certain similarities with a salesperson, such as the same last name, birthday or hometown, they are more likely to favour the salesperson and the service or product as a result of the personal connection.

However, will the effect of having these incidental similarities apply to someone who is not directly involved in the sales or service interaction?

To decode this mysterious phenomenon, the researchers conducted a few experiments in which participants were placed in different service failure scenarios.

In one of the experiments, the participants were invited to a restaurant in different time slots where they witnessed a customer complaining to a waitress about her food. The participants either have the same last name as the waitress or the customer.

The result of the study indicated that the participants having the same last name as the customer would blame the waitress for the service failure, whereas those with the same last name as the waitress would blame the customer instead.

“This doesn’t only show that the effect of incidental similarity exists, but also that the effect is valid even when people are only observing and not directly involved in the service failure,” says Prof. Wan.

In another experiment, the participants were asked to read a trip advisor website containing a negative review written by a customer regarding a hotel service. Before they commented on the review, they were also given a cognitive task – by memorising a 2-digit number or a 10-digit number. The result was mixed.

“For the participants who were asked to remember a 2-digit number, the same effect was seen, that is, those having the same last name as the customers would blame the hotel manager for the service failure,” she says.

However, the result did not replicate for those who had to memorise a 10-digit number.

“This shows that the effect is not valid when the participants’ attention is diverted by a high cognitive load.”

Experiments were also carried out involving a service provider displaying a negative or undesirable quality (e.g., rudeness or obesity). In such scenario, participants sharing the incidental similarity with the provider were found to blame the service provider rather than the customer for the failure of service.

Why is that the case?

“People are more likely to blame a negative event on someone they dislike than on someone they like. Since sharing an incidental similarity with the service provider will increase an observer’s attention on the provider’s negative or undesirable characteristics, the observer will increase their blame on the provider,” says Prof. Wan.

### **Implications**

This study has extended previous research to include observers who are not directly involved in the service at all. And it reveals that the effect of incidental similarity on observers’ attribution of blame is present both online and offline.

It has significant implications for consumers' reactions to online reviews which play a major part in our shopping experiences nowadays, as consumers often make their purchase decisions by reading online reviews of a certain product or a shop.

"The study reveals that our reactions to online reviews can be manipulated by something as trivial and accidental as the reviewer's last name."

Prof. Wan thinks the study also reflects a unique characteristic in Asian societies.

"Participants in our research are all Asians, who may be particularly sensitive to the similarities between themselves and others and inclined to value social connectedness."

"Although the effects of incidental similarity have been identified in research on Western cultural samples as well, this difference could be a consideration in evaluating the generalisability of our findings," she says.

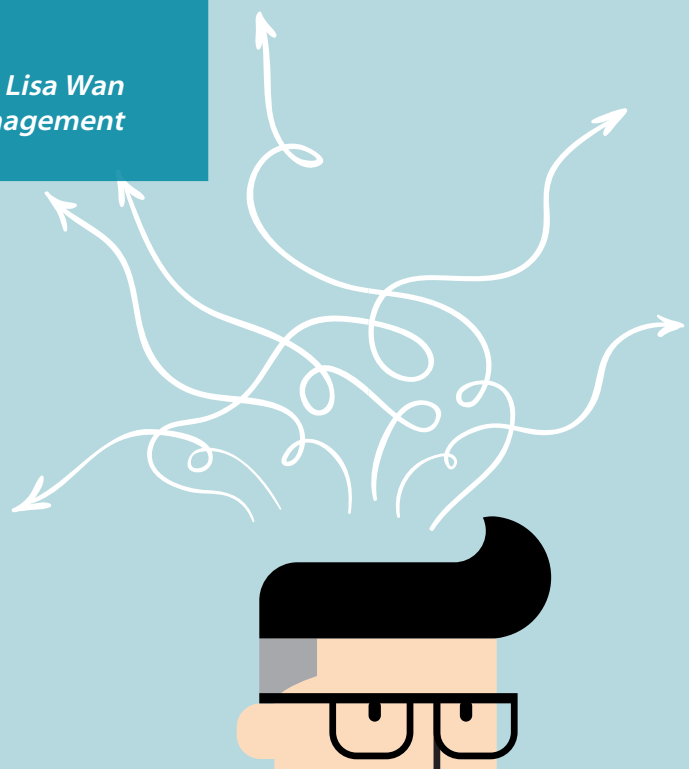
**By Jaymee Ng. This story was first published in China Business Knowledge @ CUHK, the knowledge platform of CUHK Business School.**

Reference:

Lisa C. Wan and Robert S. Wyer (Forthcoming), "The Influence of Incidental Similarity on Observers' Casual Attributions and Reactions to a Service Failure," *Journal of Consumer Research*.

“ People are more likely to blame a negative event on someone they dislike than on someone they like. Since sharing an incidental similarity with the provider will increase an observer's attention on the provider's negative or undesirable characteristics, the observer will increase their blame on the provider. ”

**Prof. Lisa Wan**  
**School of Hotel and Tourism Management**



# Standing Out in the **DIGITAL ECONOMY**



*Shige Makino, Professor  
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*The pace of digital transformation  
is accelerating. How do we remain  
competitive and develop new skills  
for the ever-changing career market?*



**A**ccording to a recent study, the pace of digital transformation is accelerating. The study reveals by 2021, it is estimated that digital transformation will add US\$9 billion to Hong Kong's total GDP, and will increase the growth rate by 0.5 percent annually. At least 60 percent of Hong Kong's GDP will be digitalised, with growth in every industry driven by digitally-enhanced offerings, operations and relationships.

Entitled "Unlocking the Economic Impact of Digital Transformation in Asia Pacific", the study was produced by Microsoft in partnership with IDC Asia/Pacific. It was based on the survey of 615 business leaders from the manufacturing sector across 15 markets in the region, including Mainland China, Hong Kong, Australia, Indonesia, India, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, and Vietnam.

"The study finds that 79 percent of jobs in Hong Kong will be transformed in the next three years and 60 percent of which will be redeployed to higher value roles, or reskilled to meet the need of the digital age," says Cally Chan, General Manager, Microsoft Hong Kong, in the company's press release.

Digital transformation has been penetrating into every single industry. Employees are beginning to worry whether their jobs will soon be replaced by machines and robots. In terms of job displacement, the report says 23 percent of new jobs are expected to be created from digital transformation.

"Despite the impact on jobs being mitigated, organisations should work on partnering with governments and education institutions to provide feedback, training and reskilling programmes so that the workforce is equipped with future-ready skill sets," says Chan who holds an Executive MBA from The Chinese University of Hong Kong (CUHK) Business School.

### **Two Types of Economies: Hardware-Centric vs Software-Centric**

Facing the accelerating force of digitalisation, how will our workplace be transformed? What kind of impact will it bring to the career market?

To answer the questions, one needs to understand the difference between a hardware-centric economy and a software-centric economy, according to Prof. Shige Makino from the Department of Management at CUHK Business School.

"In a hardware-centric economy, firms emphasise the importance of teamwork. For a team to work well, all employees need to learn and improve the same level of skills at the same pace," says Prof. Makino.

Under a hardware-centric economy, having 'star employees' is not as important as having all employees working as teams who share the same skill sets, commit to continuous improvement, and engage actively in mutual communication and coordination.

"In this type of economy, productivity improves while reducing differences among individuals," he says.

In a software centric economy, on the other hand, firms emphasise the importance of specialists in digital technology.

"For digital innovation to happen, employees do not need to share specialised skills or knowledge for software development. Firms simply need to find one genius software programmer who can write an innovative software to change the business landscape. Hence, in this type of economy, productivity improves while creating differences among individuals."

### **Networking Ability for the Changing Economy**

Prof. Makino says that digital transformation has shifted our society from a hardware-centric to a software-centric economy. And this shift has a long-lasting impact on the career market.

"The career market in the hardware-centric economy requires a leader who can manage a team effectively, whereas the career market in the software-centric one looks for specialists (e.g., data scientists) who can understand and create innovation," he says. "Digital transformation will create a huge demand for business experts."

If so, will our existing careers all disappear in a software-centric economy eventually?

Prof. Makino is not pessimistic at all, as he sees how the two types of economies can be complementary to each other.

"In the digital economy, firms will need managers who can connect teams and also work with specialists," he says. "These managers are not only good at managing an organisation effectively but can also understand the latest technology and innovation, and how they can apply to future business developments."



“The key capability demanded for the future career market is ‘networking ability’ – the ability to identify, analyse, and link individuals and firms that can complement each other’s needs and strengths.”

**Prof. Shige Makino**  
**Department of Management**

He believes that there will actually be more opportunities for collaborations between established firms and new ventures in future, too. For example, a manufacturing firm with financial resources, logistic infrastructure and a good reputation will benefit from bringing in some cutting-edge technology. Similarly, new ventures creating cutting-edge technology but lacking resources and infrastructure will be able to expand their business by working with well-established, reputable firms.

“There will be a great need for experts who can connect these two types of enterprises. The key capability demanded for the future career market is ‘networking ability’ – the ability to identify, analyse, and link individuals and firms which complement each other’s needs and strengths.”

### **How to ‘Future-Proof’ Your Career**

Still, the reality is that some jobs will disappear.

“We can foresee the demand for some jobs that can be performed by computers or robots with the advancement of digital technology will become smaller. Some examples

of these jobs include recording, reporting, transactions and simple operations.

How do young professionals maintain a competitive edge in the accelerating digital workplace? Besides the ability to network, what other skills should they develop to ‘future-proof’ their careers?

“They need to develop a solid understanding of management and digital technology. They need to have the ability to connect individuals and firms which can complement each other’s needs. And, last but not least, they need to possess a passion for creating new ideas and a forward-looking attitude to realise these ideas in their firms,” says Prof. Makino.

**By Mabel Sieh. This story was first published in China Business Knowledge @ CUHK, the knowledge platform of CUHK Business School.**

# The 3rd Hong Kong Business Sustainability Index

**T**he Chinese University of Hong Kong (CUHK) Business School's Centre for Business Sustainability (CBS) announced the results of the 3rd Hong Kong Business Sustainability Index (HKBSI) earlier in July, highlighting how leading companies in Hong Kong have shown increasing concerns for corporate social responsibility (CSR) and business sustainability.

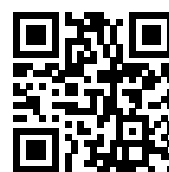
HKBSI aims at encouraging companies in Hong Kong to adopt CSR as a progressive business model to achieve business sustainability. 50 constituent companies of the Hang Seng Index (HSI) were assessed across three major areas, namely CSR Values, CSR Process (comprising CSR management and practices) and CSR Impact against seven stakeholder groups, as well as the company's contributions to economic, social and environmental sustainability.

Compared to the results of the 2nd HKBSI released in 2016, the overall average score of the 50 HSI constituent companies in the 3rd HKBSI was 50.82 (out of 100 points), an increase of 11.13 percent, whereas the average score of the top 20 Index companies has recorded 72.46 (out of 100 points), up by 5.29 percent. Both the overall average score and that of the top 20 Index companies have registered an increase for two consecutive rounds of HKBSI. Mainland Chinese companies listed in Hong Kong also showed continuous improvement in business sustainability.

Prof. Carlos Lo, Director of CBS, highlighted the progressive advancement in the performance of business sustainability over the past three rounds of HKBSI. However, he pointed out that in this latest round, despite an increase in the overall average score, the standard deviation was visibly large (21.5 points), reflecting a huge performance gap between the top and bottom companies. For the top companies with over 80 points, their overall performance in sustainability attained the level of 'pace-setter' and was comparable to international standard. He remarked that companies scoring below the overall average score were still in the stage of 'explorer' and have yet to set a clear CSR orientation and a proper management framework.

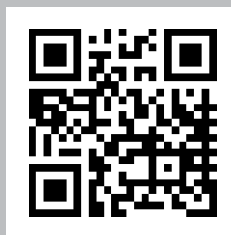
"We hope that participating companies can make full use of HKBSI assessment and individual company reports, which reflect their CSR performance and level of sustainability. The HKBSI can serve as a comprehensive and holistic tool to review their annual business sustainability achievements, and to identify ways for improving the weaker areas in their CSR practices and impacts," said Prof. Lo.

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