

# Newsletter

## Faculty Research Publications



### Published Articles

Cai, Jianguan (John). 2012. "National Health Insurance Coverage: Dream and Reality". *China Social Security*. 2012(3).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "Strategic option for managing the country by health". *China Health*. 2012(3).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "Healthcare industry chain is urgently needed". *China Social Security*. 2012(4).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "Shortage of doctors: barrier to China's healthcare reform". *China Social Security*. 2012(5).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "Payment reform should pursue performance/price ratio". *China Health*. 2012(8).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "Which kind of doctors' income and occupational system is needed". *China Health Human Resource*. 2012(3).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John). 2012. "How to make primary care physician/family doctors attractive?". *China Health*. 2012(10).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Cai, Jianguan (John), Liu, Sen. 2012. "Utilizing social capital to develop healthcare: how to enhance public trust". *China Health*. 2012(11).

Contact: [jncai@ceibs.edu](mailto:jncai@ceibs.edu)

Chen, Charles J.P., Li, Zengquan, Su, Xijia, and Yao, Yiwei. 2012 Nov. "Delegation and Sensitivity of CEO Turnover to Firm Performance within Business Groups: Evidence from China". *Journal of Accounting*

and Public Policy. Issue 6, Vol. 31, pp. 553-574.

**Abstract:** In emerging markets, companies are often organized into corporate groups in which the controlling shareholders control the member firms through stock pyramids and cross-shareholdings. We examine how the incentive for these controlling shareholders to maximize the value of groups results in less delegation of decision rights to the CEO of the member firm and, in turn, how such delegation affects the rate of CEO turnover in response to the financial performance measures reported by member firms. Our results suggest that delegation, measured as the extent to which controlling owners control the board of directors, is negatively associated with the interdependence of member firms. We also find that delegation weakens the sensitivity of the CEO-turnover rate to financial performance measures. These findings extend the literature by providing evidence on how delegation and management-incentive arrangements are jointly determined at the firm level.

**Paper:**

<http://www.sciencedirect.com/science/article/pii/S0278425412000695>

Contact: [ccharles@ceibs.edu](mailto:ccharles@ceibs.edu), [sxijia@ceibs.edu](mailto:sxijia@ceibs.edu)

Chng, D. H. M., Rodgers, M. S., Shih, E., & Song, X. B.. 2012 Dec. "When does incentive compensation motivate managerial behaviors? An experimental investigation of the fit between incentive compensation, executive core self-evaluation, and firm performance". *Strategic Management Journal*. (FT45) 33(12), 1343-1362.

**Abstract:** We develop and test an integrative model that examines the fit between compensation schemes, executives' characteristics, and situational factors. We propose that a fit among all three factors is crucial to motivate desirable managerial behaviors. Using a specially designed management simulation, our study demonstrates that the effectiveness of incentive compensation to motivate managerial behaviors depends on executives' core self-evaluation and firm performance. Our results show that, relative to fixed salary compensation, executives with higher core self-evaluation respond to incentive compensation with

### Inside this issue:

Published Articles	42
Books	7
Book Chapters	4
Cases	42

# Newsletter

## Faculty Research Publications

greater perseverance, competitive strategy focus, ethical behavior, and strategic risk taking during organizational decline. However, these interaction effects are not present during organizational growth. Our theory and empirical evidence provide significant insights into the complex relationships among compensation schemes, executives' characteristics, firm performance, and managerial behaviors.

**Paper:** <http://onlinelibrary.wiley.com/doi/10.1002/smi.1981/abstract>  
**Contact:** [dchnq@ceibs.edu](mailto:dchnq@ceibs.edu)

**Cramwinkel, F., De Cremer, D., & van Dijke, M.. forthcoming. "Dirty hands make dirty leaders?! The effects of touching dirty objects on rewarding unethical subordinates as a function of leader's self-interest". *Journal of Business Ethics*. (FT45).**

**Abstract:** We studied the role of social dynamics in moral decision-making and behavior by investigating how physical sensations of dirtiness versus cleanliness influence moral behavior in leader-subordinate relationships, and whether a leader's self-interest functions as a boundary condition to this effect. A pilot study (N = 78) revealed that when participants imagined rewarding (vs. punishing) unethical behavior of a subordinate, they felt more dirty. Our main experiment (N = 96) showed that directly manipulating dirtiness by allowing leaders to touch a dirty object (fake poop) led to more positive evaluations of, and higher bonuses for, unethical subordinates than touching a clean object (hygienic hand wipe). This effect, however, only emerged when the subordinate's unethical behavior did not serve the leader's own interest. Hence, subtle cues such as bodily sensations can shape moral decision-making and behavior in leader-subordinate relationships, but self-interest, as a core characteristic of interdependence, can override the influence of such cues on the leader's moral behavior.

**Paper:** <http://link.springer.com/article/10.1007%2Fs10551-012-1385-4#>

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Brebels, L., De Cremer, D., & van Dijke, M.. forthcoming. "What they do depends on who they are: Using self-definition to predict the influence of procedural justice on organizational, interpersonal, and task-oriented citizenship behaviours". *Journal of Management*. (A\*).**

**Abstract:** Abstract: An integrative self-definition model is proposed to improve our understanding of how procedural justice affects different outcome modalities in organizational behavior. Specifically, it is examined whether the strength of different levels of self-definition (collective, relational, and individual) each uniquely interact with procedural justice to predict organizational, interpersonal, and job/task-oriented citizenship behaviors, respectively. Results from experimental and (both single and multisource) field data consistently revealed stronger procedural justice effects (1) on organizational-oriented citizenship behavior among those who define themselves strongly in terms of organizational characteristics, (2) on interpersonal-oriented citizenship behavior among those who define themselves strongly in terms of their interpersonal relationships, and (3) on job/task-oriented citizenship behavior among those who define themselves weakly in terms of their distinctiveness or uniqueness.

We discuss the relevance of these results with respect to how employees can be motivated most effectively in organizational settings.

**Paper:**

<http://jom.sagepub.com/content/early/2011/06/16/0149206311410605.full.pdf>

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Cornelis, I., Van Hiel, A., & De Cremer, D.. forthcoming. "Volunteer work in youth organizations: Predicting distinct aspects of volunteering behavior from self- and other-oriented motives". *Journal of Applied Social Psychology*.**

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Thau, S., Troester, C., Aquino, K., Pillutla, M., & De Cremer, D.. forthcoming. "Status through social comparisons: How coworkers' fair treatment moderates the relationship between fair treatment and workplace deviance". *Journal of Business Ethics*. (FT45).**

**Abstract:** We investigate how social comparison processes in leader treatment quality impact group members' self-worth, affect, and behavior. Evidences from the field and the laboratory suggest that employees who are treated kinder and more considerate than their fellow group members experience more self-worth and positive affect. Moreover, the greater positive self-implications of preferentially treated group members motivate them more strongly to comply with norms and to engage in tasks that benefit the group. These findings suggest that leaders face an ethical trade-off between satisfying the moral standard of treating everybody equally well and satisfying individual group members' desire to be treated better than others.

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Dhont, K., Van Hiel, A., & De Cremer, D.. 2012. "Externalities awareness in commons and anticommons dilemmas: An antidote to defective behavior". *Journal of Behavioral Decision Making*. 25, pp.228-238.**

**Abstract:** This book takes a look at how and why individuals display unethical behavior. It emphasizes the actual behavior of individuals rather than the specific business practices. It draws from work on psychology which is the scientific study of human behavior and thought processes. As Max Bazerman said, "efforts to improve ethical decision making are better aimed at understanding our psychological tendencies

**Paper:**

<http://www.taylorandfrancis.com/books/details/9780415873246/>

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Boksem, M.A.S. Smolders, R., & De Cremer, D.. 2012. "Power and approach-related neural activity". *Social, Cognitive and Affective Neuroscience*. 7, pp. 516-520.**

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**De Cremer, D., Hoogervorst, N., & Desmet, P.. 2012. "Procedural Justice and Sanctions in Social Dilemmas: The Moderating Effects of Group Feedback and Identification". *Journal of Applied Social Psychology*. 42(7),**

# Newsletter

## Faculty Research Publications

pp.1675-1693.

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Reinders Folmer, C., & De Cremer, D.. 2012. "Bad For Me Or Bad For Us? Interpersonal Orientations and the Impact of Losses on Unethical Behavior". *Personality and Social Psychology Bulletin*. Vol. 38, Issue 6, pp. 760-771.

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Boksem, M., Kostermans, E., Milivojevic, B., & De Cremer, D.. 2012. "Social status determines how we monitor and evaluate our performance". *Social, Cognitive and Affective Neuroscience*. Vol. 7, pp. 304-313.

Abstract: Since people with low status are more likely to experience social evaluative threat and are therefore more inclined to monitor for these threats and inhibit approach behaviour, we expected that low-status subjects would be more engaged in evaluating their own performance, compared with high-status subjects. We created a highly salient social hierarchy based on the performance of a simple time estimation task. Subjects could achieve high, middle or low status while performing this task simultaneously with other two players who were either higher or lower in status. Subjects received feedback on their own performance, as well as on the performance of the other two players simultaneously. Electroencephalography (EEG) was recorded from all three participants. The results showed that medial frontal negativity (an event-related potential reflecting performance evaluation) was significantly enhanced for low-status subjects. Implications for status-related differences in goal-directed behaviour are discussed.

Paper:

<http://scan.oxfordjournals.org/content/early/2011/03/18/scan.nsr010.full>

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Van Dolen, W., De Cremer, D., De Ruyter, K.. 2012. "Social value orientations, other's fairness and trust in marketing communication". *Psychology & Marketing*. Vol. 29(5), pp. 306-321.

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Reinders Folmer, C., Klapwijk, A., De Cremer, D., & van Lange, P.. 2012. "One for All: What Representing a Group May Do to Us". *Journal of Experimental Social Psychology*. 48(5), pp. 1047-1056.

Abstract: Collective bargaining, business alliances, diplomacy between nations – interactions between group representatives include topics that may have some of the greatest impact on our lives. Nevertheless, the nature of such interactions is poorly understood. How do representatives approach such interactions? What goals do they pursue, and what expectations do they have of their counterpart? In the present research, we advance a theoretical framework with which to understand the mindset that is activated by the role of representative. In two studies, we measure what goals (Study 1) and expectations (Study 2) become salient in this role, compared with the related roles of individual or group member. Our findings reveal that representatives may display a more competitive

mindset, consisting of more competitive goals and expectations of others. As competition can be harmful, rather than beneficial to the group, care should be taken when relying on representatives, so that we may exploit their strengths while curtailing their weaknesses.

Paper:

<http://www.sciencedirect.com/science/article/pii/S0022103112000741>

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Boksem, M.A.S., Kostermans, E., Tops, M., & De Cremer, D.. 2012. "Individual differences in asymmetric resting-state frontal cortical activity modulate ERPs and performance in a Global-Local attention task". *Journal of Psychophysiology*. Vol. 26(2), pp. 51-62.

Abstract: Recent research has demonstrated that individual differences in approach motivation modulate attentional scope. In turn, approach and inhibition have been related to different neural systems that are associated with asymmetries in relative frontal activity (RFA). Here, we investigated whether such individual differences in asymmetric hemispheric activity during rest, and self-report measures of approach motivation (as measured by the behavioral inhibition system, BIS/behavioral activation system, BAS scales) would be predictive of the efficiency of attentional processing of global and local visual information, as indexed by event-related potentials (ERPs) and performance measures. In the reported experiment, participants performed a visual attention task in which they were required to either attend to the global shape or the local components of presented stimuli. Electroencephalogram was recorded during task performance and during an initial "resting state" measurement. The results showed that only the BAS-Reward Responsiveness subscale was associated with left RFA during rest, while BIS, BAS-Drive, and BAS-Fun Seeking were associated with more right-lateralized RFA. Importantly, left RFA during the "resting state" measurement was associated with increased P3 (right-lateralized) amplitudes and decreased P3 latencies on trials requiring a global focus. In turn, these ERPs were associated with enhanced performance on trials requiring a global focus. These results provide the first evidence for a positive association between left RFA during rest and increased efficiency of right-lateralized brain mechanisms that are involved in processing global information.

Paper: <http://psycnet.apa.org/journals/jop/26/2/51/>

Contact: [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Hoogervorst, N., De Cremer, D., van Dijke, M., & Mayer, D.. 2012. "When leaders sacrifice: The effects of sense of power and belongingness on leader's self-sacrifice". *The Leadership Quarterly*. (A\*) Vol. 23(5), pp. 883-896.

Abstract: Past research on leader self-sacrifice has focused entirely on the effects of this leader behavior on followers and its implications for organizations. The present research focused on antecedents of leader self-sacrifice. We argued that self-sacrifice is positively influenced by leaders' sense of belongingness to the group they supervise. Furthermore, leaders' subjectively sensed power can serve as a moderator of this effect. We expected this because a high sense of power is known to facilitate goal pursuit. Given that organizational goals often prescribe serving

# Newsletter

## Faculty Research Publications

the interests of the organization, leaders' sense of belongingness should promote self-sacrifice particularly among leaders low in subjective power; leaders high in subjective power should display self-sacrifice regardless of their sense of belongingness. Two field studies supported these predictions. A final experiment supported a critical assumption underlying our argument in showing that the sense of power  $\times$  sense of belongingness interaction is restricted to situations that prescribe cooperative goals. When situations prescribe competitive goals, this interaction was absent.

**Paper:**

<http://www.sciencedirect.com/science/article/pii/S104898431200046X>

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Wubben, M., De Cremer, D., & van Dijk, E.. 2012. "Is Pride Prosocial? Communicated Pride and Cooperation in Resource Dilemmas". *Cognition and Emotion*. Vol. 26(6), pp. 1084-1097.

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

De Cremer, D.. 2012. "Controlled wisdom". *Business Strategy Review*. 23(1), pp. 86-87.

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

De Cremer, D., Leunissen, J., Reinders Folmer, C., & van Dijke, M.. 2012. "Sorry limited". *Business Strategy Review*. Vol. 23(3), pp. 76-77.

**Paper:** <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-8616.2012.00882.x/abstract>

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

De Cremer, David. Oct 1. 2012. Chinese business schools face a crucial but difficult task. *Financial Times*.

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

Degeorge, F., Ding, Yuan, Jeanjean, T. and Stolowy, Hervé. forthcoming. "Analyst Coverage, Earnings Management and Financial Development: An International Study". *Journal of Accounting and Public Policy*.

**Abstract:** Using data from 21 countries, this paper analyzes the relation among analyst coverage, earnings management and financial development in an international context. We document that the effectiveness of financial analysts as monitors increases with a country's financial development (FD). We find that in high-FD countries, increased within-firm analyst coverage results in less earnings management. Such is not the case in low-FD countries. Our results are economically significant and robust to reverse causality checks. Our findings illustrate one mechanism through which financial development mitigates the cost of monitoring firms and curbs earnings management.

**Paper:** [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2031992](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2031992)

**Contact:** [dyuan@ceibs.edu](mailto:dyuan@ceibs.edu)

Han, Jing, Han, Jian, and Brass, Dan. forthcoming. "Human Resource Diversity in the Creation of Social Capital for Team Innovation". *Journal of Organizational Behavior*. (A\*).

**Abstract:** We highlight the social aspects of team creativity by proposing that team creativity is influenced by two types of team social capital: bridging and bonding social capital. Going beyond the structural perspective, we posit that team-level human capital diversity is one of the potential antecedents of social capital for team creativity. We suggest that network structures are formed by teammates' interactions, which are largely the result of differences in their individual characteristics. The results showed that the interaction of team-bridging social capital with team-bonding social capital was positively and significantly related to team creativity. Knowledge variety and knowledge disparity had a joint effect on team-bridging social capital, and knowledge separation was negatively related to team-bonding social capital. Moreover, team social capital mediated the effects of knowledge diversity on team creativity. Our study has several important implications for team creativity, social networks, and diversity research.

**Contact:** [jianhan@ceibs.edu](mailto:jianhan@ceibs.edu)

Leila K., Gilbreath, B., & Kim, T.-Y., & Grawitch, M. J.. forthcoming. "Come Rain or Come Shine: Supervisor Behavior and Employee Job Neglect". *Leadership & Organization Development Journal*.

**Contact:** [tykim@ceibs.edu](mailto:tykim@ceibs.edu)

Moran, C. M., Diefendorff, J. M., Kim, T.-Y., & Liu, Z.-Q.. 2012. "A profile approach to self-determination theory motivations at work". *Journal of Vocational Behavior*. (A\*) 81, 354-363.

**Abstract:** Self-determination theory (SDT) posits the existence of distinct types of motivation (i.e., external, introjected, identified, integrated, and intrinsic). Research on these different types of motivation has typically adopted a variable-centered approach that seeks to understand how each motivation in isolation relates to employee outcomes. We extend this work by adopting cluster analysis in a person-centered approach to understanding how different combinations or patterns of motivations relate to organizational factors. Results revealed five distinct clusters of motivation (i.e., low introjection, moderately motivated, low autonomy, self-determined, and motivated) and that these clusters were differentially related to need satisfaction, job performance, and work environment perceptions. Specifically, the self-determined (i.e., high autonomous motivation, low external motivation) and motivated (i.e., high on all types of motivation) clusters had the most favorable levels of correlates; whereas the low autonomy (i.e., least self-determined) cluster had the least favorable levels of these variables.

**Paper:**

<http://www.sciencedirect.com/science/article/pii/S0001879112001339>

**Contact:** [tykim@ceibs.edu](mailto:tykim@ceibs.edu)

Meyer, Klaus E. & Thaijongrak, Ornjira. forthcoming. "The dynamics of emerging economy MNEs: how the internationalization process model can guide future research". *Asia Pacific Journal of Management*.

**Abstract:** The rapid emergence of multinational enterprises (MNEs) from emerging economies calls for a re-assessment of established theories of the MNE. We assess the usefulness of the internationalization process

# Newsletter

## Faculty Research Publications

model (IPM), also known as the Uppsala model, to explain the recent strategies of emerging economy MNEs. We argue that popular stages models derived from the IPM are not helpful, but the underlying process of experiential learning driving steps of increased commitment is an important element in explaining the evolution of these MNEs over time. Focusing on the role of acquisitions within internationalization processes, we illustrate our arguments with six case studies of Thai MNEs. On this basis, we discuss how the IPM can inform future research on emerging economy MNEs. Specifically, the IPM suggests focusing on the internal and external factors that may induce firms to accelerate their cycle of international learning and commitment, in particular the roles of networks, acquisitions, human resources, big step commitments, the home country institutional environment, and possible managerial biases.

**Paper:** <http://link.springer.com/article/10.1007/s10490-012-9313-9?null#>

**Contact:** [kmeyer@ceibs.edu](mailto:kmeyer@ceibs.edu)

**Meyer, Klaus E.. forthcoming. "What is, and to what purpose do we study, international business?". *AIB Insights*. 13(1).**

**Abstract:** In the globalized, 'flat' world, do we still need a special field of study called 'international business' (IB)? Yes, we do, and more than ever, as I will argue in this essay. Opportunities to engage across national borders are rapidly growing in scope and complexity, while only marginally reducing the challenges of managing across borders. IB scholars explore how and why cross-national differences matter, and how businesses are able to transcend national (and other) differences. To this end, we integrate context and general theory, which allows us to not only advance theories but use our research to contribute to major debates in management practice and politics.

**Paper:** <http://aib.msu.edu/publications/aibinsights.asp> (not yet available)

**Contact:** [kmeyer@ceibs.edu](mailto:kmeyer@ceibs.edu)

**Meyer, Klaus E. & Xia, H.. 2012. "British entrepreneurs – Global visions". *Business Strategy Review*. 23(2), pp.52-57.**

**Abstract:** Business leaders are inventing new forms of entrepreneurship that create businesses by integrating resources across multiple countries. We explain how some UK entrepreneurs combine a deep knowledge of their industry with a visionary perspective of the global economy to develop new business models.

**Paper:** <http://onlineibrary.wiley.com/doi/10.1111/j.1467-8616.2012.00846.x/abstract>

**Contact:** [kmeyer@ceibs.edu](mailto:kmeyer@ceibs.edu)

**Chyz, James, Leung, Winnie, Li, Oliver Z., and Rui, Oliver. forthcoming. "Labor unions and tax aggressiveness". *Journal of Financial Economics*. (FT45).**

**Abstract:** We examine the impact of unionization on firms' tax aggressiveness. We find a negative association between firms' tax aggressiveness and union power, and a decrease in tax aggressiveness after labor union election wins. This is consistent with labor unions influencing man-

agers' in one, or both, of two ways: (i) constraining managers' ability to invest in tax aggressiveness through increased monitoring; (ii) decreasing returns to tax aggressiveness that arise from unions' rent seeking behavior. We also find preliminary evidence that the market expects these reductions around union elections and discounts firms that likely add shareholder value via aggressive tax strategies.

**Paper:** [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1498663](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1498663)

**Contact:** [oliver@ceibs.edu](mailto:oliver@ceibs.edu)

**Wu, W., Rui, Oliver M. and Wu, C.. 2012 Nov. "Trade Credit, Cash Holdings, and Financial Deepening: Evidence From A Transitional Economy". *Journal of Banking and Finance*. (A\*) pp.2868–2883.**

**Abstract:** This paper investigates the effect of financial deepening on the relationship between trade credit and cash holdings among Chinese listed firms. We first document an asymmetric effect of trade payables and receivables on cash holdings, in that firms hold an additional \$0.71 of cash for every \$1 of credit payable but use \$1 of receivables as a substitute for only \$0.15 of cash. We then find that firms in regions with higher levels of financial deepening hold less cash for payables while substituting more receivables for cash. A more highly developed financial sector helps firms to better use trade credit as a short-term financing instrument. Finally, we find that the ratio at which receivables are substituted for cash increased following the implementation of the new receivables pledge policy in 2007, which allowed firms to use receivables as security for loans. This policy event represents an exogenous shock that mitigates the endogeneity concern.

**Paper:**

<http://www.sciencedirect.com/science/article/pii/S0378426611001488>

**Contact:** [oliver@ceibs.edu](mailto:oliver@ceibs.edu)

**Firth, Michael, Rui, Oliver M. and Wu, Xi. 2012. "How Do Various Forms of Auditor Rotation Affect Audit Quality? Evidence from China". *International Journal of Accounting*. pp. 109-138.**

**Abstract:** The Enron/Arthur Andersen scandal has raised concerns internationally about auditor independence, audit quality, and the need for regulatory action such as mandatory auditor rotation. China's unique institutional features provide us with a setting in which to compare comprehensively the various forms of auditor rotation at different levels (partner vs. firm) and in different settings (voluntary vs. mandatory). In addition, institutional conditions vary dramatically across China, which provides us with an opportunity to test whether the development of market and legal institutions affects the impact of rotation on audit quality. We expect that auditors are less (more) constrained by market forces and less (more) self-disciplined to maintain audit quality in regions with less (more) developed market and legal institutions. Therefore, mandatory rotation may play a more (less) important role in less (more) developed regions. Using auditors' propensity to issue a modified audit opinion (MAO) as a proxy for audit quality, we find that firms with mandatory audit partner rotations are associated with a significantly higher likelihood of a MAO than are no-rotation firms. However, this effect is restricted to firms located in less developed regions. Similar evidence is found for voluntary

# Newsletter

## Faculty Research Publications

audit firm rotation although the significance level is much weaker than for mandatory partner rotation. Other forms of auditor rotations (i.e., mandatory audit firm rotation and voluntary audit partner rotation), have no effect on MAOs.

**Paper:** [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1830741](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1830741)  
**Contact:** [oliver@ceibs.edu](mailto:oliver@ceibs.edu)

**Thompson, M. J. and Adams, R.. 2012 Aug. "Get to the root of your stress – observe your Self". *Forbes India*. 29 August.**

**Paper:** [//forbesindia.com/article/ceibs/get-to-the-root-of-your-stress-observe-your-self/33616/1](http://forbesindia.com/article/ceibs/get-to-the-root-of-your-stress-observe-your-self/33616/1)  
**Contact:** [mthompson@ceibs.edu](mailto:mthompson@ceibs.edu)

**Wu Jinglian. 2010 Oct. "中国模式"会成为全球榜样吗?". *中国改革*. Issue 10.**

**Contact:** [wjlian@ceibs.edu](mailto:wjlian@ceibs.edu)

**Xu, Bin and Liu, Ying. "How BMW Dealt with Exchange Rate Risk". *Financial Times*, October 29, 2012**

**Contact:** [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

**Xu, Xiaonian. 2012 Mar. "U.S. Competitiveness and The Chinese Challenge". *Harvard Business Review*. (FT45) Vol. 90, Issue 3, p40.**

**Abstract:** The article presents the author's view that the so-called China Miracle resulted from a follower advantage and will be difficult to maintain. An argument is made that the U.S. economy's advantages are its free market system and a culture that encourages innovation. The author notes Americans should be aware that government intervention can hinder innovation and economic growth.

**Paper:** <http://hbr.org/2012/03/us-competitiveness-and-the-chinese-challenge/ar/1>  
**Contact:** [xxiaonian@ceibs.edu](mailto:xxiaonian@ceibs.edu)

**Xu, Xiaonian. 2012. "中国经济的转型与产权保护". *新金融(New Finance)*. 2012(6), pp.11-13.**

**Abstract:** 中国转变经济增长模式之所以还没有成功,根本的原因是政府和企业没有感受到压力,国际金融危机也没有改变经济增长的根基,反而使政府借势延伸,市场机制则被迫后退。政府的巨额投资使产能过剩问题突显出来。要解决当前中国经济的发展和转型问题,必须充分发挥市场和民营经济的作用。产权保护是重振民营经济的重要和必要前提。历史也证明,若没有私人产权的保护,就不会有英国工业革命的产生,也不会有持续不断的革命性的创新。我国产权保护的现状不容乐观,应予以正视并加以改进。只有深化改革,才能给中国经济中长期发展带来希望。

**Contact:** [xxiaonian@ceibs.edu](mailto:xxiaonian@ceibs.edu)

## Books

**De Cremer, D. & Tenbrunsel, A.E. (Eds.). 2012. *Behavioral business ethics: Shaping an emerging field*. New York: Taylor & Francis.**

**Abstract:** This book presents a collection of chapters that contribute significantly to the field of business ethics by promoting much needed insights into the motives that drive people to act ethically or unethically. It acknowledges that business ethics plays a pivotal role in the way business is conducted and adds insights derived from a behavioral view that will make us more aware of morality and provide recommendations into how we can improve our actions

**Paper:** [http://www.econbiz.de/en/search/detailed-view/doc/all/behavioral-business-ethics-shaping-an-emerging-field-cremer-david/10009385264/?no\\_cache=1](http://www.econbiz.de/en/search/detailed-view/doc/all/behavioral-business-ethics-shaping-an-emerging-field-cremer-david/10009385264/?no_cache=1)

**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**De Cremer, D., & Pillutia, M.. 2012 Dec. *Making negotiations predictable: What science tells us?*. Palgrave Macmillan.**

**Abstract:** Everybody in business is involved in negotiating internally and externally. The impact of this can have consequences for revenue and profitability, so it is more important than ever to be an effective negotiator for business success. In *Making Negotiations Predictable*, two global experts give crucial insights into getting it right.

**Paper:** <http://www.palgrave.com/products/title.aspx?pid=591358>  
**Contact:** [ddecremer@ceibs.edu](mailto:ddecremer@ceibs.edu)

**Quelch, John A. and Jocz, Katherine. 2012 Oct.**

**P营销: 商业推广中的地点影响力 (Chinese version of "All Business Is Local: Why Place Matters More Than Ever in a Global, Virtual World"). 中国财富出版社.**

**Paper:** <http://www.wingsbook.com/product.php?d=6063>  
**Contact:** [jquelch@ceibs.edu](mailto:jquelch@ceibs.edu)

**Thompson, Mike J. (Ed.). 2012 Apr. *Business, Spirituality and the Common Good*. Russell Media, Boise, Idaho.**

**Abstract:** Business, Spirituality and the Common Good provides a robust and thorough look at the nature of business and spirituality and how they can reinforce each other for human flourishing and the common good of all. Ideal for academic settings, researchers and other leaders wanting a broad and expansive examination of the potential value and inherent challenges.

**Paper:** <http://www.amazon.com/Business-Spirituality-Common-Good-Thompson/dp/193749800X>  
**Contact:** [mthompson@ceibs.edu](mailto:mthompson@ceibs.edu)

**吴敬琏, 马国川 (Wu, Jinglian and Ma, Guochuan). 2012 Dec.**

**中国经济改革二十讲 (Translation: 20 Lectures on China's Economic Reform). 三联书店 (Translation: Sanlian Publishing).**

**Paper:** [http://product.dangdang.com/main/product.aspx?product\\_id=2293555](http://product.dangdang.com/main/product.aspx?product_id=2293555)

# Newsletter

## Faculty Research Publications

6

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MASAHIKO, AOKI & WU, JINGLIAN (Eds.). 2012. *The Chinese Economy: A New Transition (IEA Conference)*. Palgrave Macmillan.

**Abstract:** China has enjoyed a higher growth rate for a longer period than any other nation to date, but a new consensus is emerging that China is now facing a crucial turning point. This volume is unprecedented in bringing together leading economists from China and the rest of the world to analyse the sources of economic growth, examine its changing conditions for future development, and suggest desirable policy and institutional reforms. Chapters address a wide range of issues, covering not only macro and micro economic mechanisms, but also various aspects of human resource development, environmental protection, and political impact on the economy. The contributors include F. Allen, C. Bai, D. Bloom, F. Cai, R. Freeman, D. Jorgenson, J. Lou, D. H. Perkins, C. Xu, among others.

**Paper:** <http://www.amazon.com/Chinese-Economy-Transition-International-Association/dp/1137034289/ref=sr11?s=books&ie=UTF8&qid=1356077891&sr=1-1>

Contact: [wjlian@ceibs.edu](mailto:wjlian@ceibs.edu)

Hensmans, M., Johnson, G., and Yip, George. 2012 Dec. *Strategic Transformation: Changing While Winning*. Basingstoke, England: Palgrave Macmillan, 2013, 242 pages..

**Abstract:** Today's global marketplace offers opportunities for fast growth, but a winning strategy over the long term raises a special challenge: how to make major strategic changes whilst maintaining high levels of performance. The authors analyse and examine the strategies employed by exceptional firms that have met this challenge successfully. The book assesses the strategies of organisations which have simultaneously posted consistent, long term superior financial performance whilst also undertaking the strategic changes needed to ensure future success. The extensive research base for this book included analysis of the 20-year financial performance of 215 of the largest publicly listed British companies, a further strategic analysis of those 28 companies that were found to have consistent financial performance, and in-depth historical research and extensive interviews with top executives at six companies. The study found that successful strategic transformers developed four historical traditions over a 40 year or longer period, each of which contributed to the companies' ability for strategic transformation. The book's central message is that if managers are to develop firms that can both achieve consistently high performance and manage significant strategic change, then they need to accept and foster alternative management coalitions, and constructive tension and contestation, whilst maintaining an essential level of strategic continuity. This book explains how to pull off this difficult, but essential, double act.

**Paper:** <http://www.palgrave.com/products/title.aspx?pid=628908>

Contact: [gyip@ceibs.edu](mailto:gyip@ceibs.edu)

## Book Chapters

Ng, E., and Kim, T.-Y. forthcoming. "Diversity in Multicultural Organizations", Wankel, C. (Ed.). *Management through Collaboration: Teaming in a Networked World*. Routledge Publishers.

Contact: [tykim@ceibs.edu](mailto:tykim@ceibs.edu)

Lee, D., Kim, T.-Y., Park, K., and Park, W. 2011. "Organizational Behavior", Robbins S. P., & Judge, T. A. *Organizational Behavior, 14th ed.* Person.

Contact: [tykim@ceibs.edu](mailto:tykim@ceibs.edu)

Thompson, M.J. 2012. "Operationalising the Common Good in Business", Thompson, M.J. (ed.). *Business, Spirituality and the Common Good*. Russell Media, Boise, Idaho.,pp. 87-118.

Contact: [mthompson@ceibs.edu](mailto:mthompson@ceibs.edu)

Xu, Bin forthcoming. "Trade Policy Reform and Trade Volume". *Oxford Companion to the Economics of China*.

Link: <http://www.ft.com/intl/cms/s/0/f21b3a92-f907-11e1-8d92-00144feabdc0.html#axzz2Fel3JPpk>

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

## Cases

Chen, Weiru, Xu Leiping; Dong Liang. 2012. "盛大文学: 筑造云中书城". CC-312-001.

Contact: [weiruchen@ceibs.edu](mailto:weiruchen@ceibs.edu)

Chen, Weiru, Xu, Leiping, and Dong, Liang. 2012.

"欧普照明: LED技术的颠覆性革命". CI-312-044(Chn).

Contact: [weiruchen@ceibs.edu](mailto:weiruchen@ceibs.edu)

Daemmrch, Arthur. 2012. "Healthcare in China: Institutional Trajectories and Future Opportunities". CC-212-052(Eng).

Contact: [adaemmrch@ceibs.edu](mailto:adaemmrch@ceibs.edu)

Zhu, Jenny, Jin, Jiang and Ding, Yuan. 2012.

"印度A公司收购英国Huntsworth". CI-112-046(Chn).

Contact: [dyuan@ceibs.edu](mailto:dyuan@ceibs.edu)

Dong, Liang, Ding, Yuan, and Zhang, Hua. 2012. "联想案例一 (Lenovo: A)". CI-112-035(Chn).

Contact: [dyuan@ceibs.edu](mailto:dyuan@ceibs.edu), [zhua@ceibs.edu](mailto:zhua@ceibs.edu)

Dong, Liang, Ding, Yuan, and Zhang, Hua. 2012. "联想案例二 (Lenovo: B)". CI-112-036(Chn).

Contact: [dyuan@ceibs.edu](mailto:dyuan@ceibs.edu), [zhua@ceibs.edu](mailto:zhua@ceibs.edu)

# Newsletter

## Faculty Research Publications

Dong, Liang, Ding, Yuan, and Zhang, Hua. 2012. "联想案例三 (Lenovo: C)". CI-112-037(Chn).

Contact: dyuan@ceibs.edu, zhua@ceibs.edu

Dong, Liang, Ding, Yuan, and Zhang, Hua. 2012. "联想案例四 (Lenovo: D)". CI-112-038(Chn).

Contact: dyuan@ceibs.edu, zhua@ceibs.edu

Dong, Liang, Ding, Yuan, and Zhang, Hua. 2012.

"TCL股权多元化路线图". CI-112-045(Chn).

Contact: dyuan@ceibs.edu, zhua@ceibs.edu

Zhu, Jenny, Xie, Jane, Ding, Yuan, and Zhang, Hua. 2012.

"凯辉参股索菲亚(A) (Translation: Cathay Capital invests Suofeiya: A)". CI-112-033(Chn).

Contact: dyuan@ceibs.edu, zhua@ceibs.edu

Zhu, Jenny, Xie, Jane, Ding, Yuan, and Zhang, Hua. 2012.

"凯辉参股索菲亚(B) (Translation: Cathay Capital invests Suofeiya: B)". CI-112-053(Chn).

Contact: dyuan@ceibs.edu, zhua@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "百能网 (PCB Partner)". CI-812-049(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "淘米网 (61.com)". CI-812-047(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "大众点评 (dianping.com)". CI-812-032(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "优酷 (Youku.com)". CI-812-034(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "芬尼克兹(PHNIX)". CI-812-031(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "数字一百(Data100)". CI-812-030(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012.

"拉卡拉(LAKALA)". CI-812-024(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "新东方(New Oriental Education)". CI-812-023(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "十月妈咪(Oct Mami)". CI-812-022(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012.

"城市团购网(CityTogo.com.cn)". CI-812-021(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, Li, Shanyou Kevin. 2012. "汉庭 (Hanting Hotels)". CI-812-016(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "分众传媒 (Focus Media)". CI-812-015(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "乡都 (Xiangdu Winery Co. Ltd.)". CI-812-028(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "马可波罗网 (Makepolo.com)". CI-812-027.

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "Qihoo 360". CI-812-025(Chn).

Contact: lkevin@ceibs.edu

Dong, Liang, Xu, Leiping, and Li, Shanyou Kevin. 2012. "品尚红酒 (Wine9.com)". CI-812-048(Chn).

Contact: lkevin@ceibs.edu

Liang, Neng and Xu, Leiping. 2012. "Anhui Xinhua Group: Cao Jie Takes Post (B) 皖新传媒: 曹杰上任(B)". CI-312-003 (Chn).

Contact: liangneng@ceibs.edu

Liang, Neng, and Xu, Leiping. 2012. "Anhui Xinhua Group: Cao Jie Takes Post (C) 皖新传媒: 曹杰上任(C)". CI-312-004(Chn).

Contact: liangneng@ceibs.edu

Liang, Neng, and Xu, Leiping. 2012. "Anhui Xinhua Group: Cao Jie Takes

# Newsletter

## Faculty Research Publications

Post (D) 皖新传媒: 曹杰上任(D)". CI-312-005 (Chn).

Contact: [liangneng@ceibs.edu](mailto:liangneng@ceibs.edu)

Yuan, Daisy and McKern, Bruce. 2012. "Dabur Performance Overview". CC-312-039.

Contact: [bmckern@ceibs.edu](mailto:bmckern@ceibs.edu)

Yuan, Daisy and McKern, Bruce. 2012. "MTN Nigeria (A)". CC-312-041.

Contact: [bmckern@ceibs.edu](mailto:bmckern@ceibs.edu)

Yuan, Daisy and McKern, Bruce. 2012. "MTN Nigeria (B)". CC-312-042.

Contact: [bmckern@ceibs.edu](mailto:bmckern@ceibs.edu)

Meyer, Klaus E.. 2012. "Ethics of Offshoring: Novo Nordisk and Clinical Trials in Emerging Economies". Chinese Version (13 pages), Richard Ivey School of Business, English # 9B09M001. Chinese, #9B09MC01.

**Abstract:** The case outlines the conflicting ethical demands on a Danish pharmaceuticals company, Novo Nordisk, that is operating globally and is aspiring to high standards of corporate social responsibility. A recent report alleges that multinational pharmaceutical companies routinely conduct trials in developing countries under alleged unethical conditions. The company's director reflects on how to respond to a request from a journalist for an interview. This triggers a discussion on the appropriate ethical principles and how to communicate them. As a company emphasizing corporate responsibility, the interaction with the media presents both opportunities and risks to Novo Nordisk. The case focuses on clinical trials that are required to attain regulatory approval in, for example, Europe and North America, and that are conducted at multiple sites around the world, including many emerging economies. Novo Nordisk has implemented numerous procedures to protect its various stakeholders, yet will this satisfy journalists and non-governmental organizations, and how should the company communicate with these stakeholders?

**Paper:** <https://www.iveycases.com/ProductView.aspx?id=57174>

Contact: [kmeyer@ceibs.edu](mailto:kmeyer@ceibs.edu)

Thompson, M.J. & de Reuver, A.. 2012. "Investing in Longtop: The Case of Longtop Financial Technologies (A)". CEIBS reference no.: CC-112-012 (Eng). CI-112-012 (Chn).

**Abstract:** Longtop Financial Technologies ("Longtop"), a company registered in the Cayman Islands, was IPO'd on the NYSE in 2007. After four years of significantly above average revenues and profits, Citron Research, a research firm that specialises in exposing fraud among Chinese stocks, posted an online report on Longtop, accusing the company of fraudulent accounting: "It is the opinion of Citron that every financial statement from its IPO to this date is fraudulent". In May 2011, Longtop's auditors, Deloitte Touche Tohmatsu CPA Ltd. (China) ("Deloitte Shanghai") resigned saying that Jia Xiao Gong, Longtop's chairman had admitted that "there were fake revenue (sic) in the past so there were fake cash recorded on the books". On 14 December, the SEC revoked the registration of Longtop for failing to file required annual reports and

audited financial statements with the SEC. Longtop investors had already filed a lawsuit against the company to recover losses incurred on their securities being made substantially worthless as a result of allegations.

**Paper:** <http://www.ceibsonline.com/case/en/show/index/type/52/id/666>

Contact: [mthompson@ceibs.edu](mailto:mthompson@ceibs.edu)

Thompson, Mike J. & de Reuver, A.. 2012. "Investing in Longtop: The Case of Longtop Financial Technologies (B)". CEIBS Case no.: CC-112-013 (Eng). CI-112-013 (Chn).

**Paper:** <http://www.ceibsonline.com/case/en/show/index/type/52/id/667>

Contact: [mthompson@ceibs.edu](mailto:mthompson@ceibs.edu)

Tsai, Terence et al. 2012. "Beijing Tianyu Communication Co. Ltd.: To Win in the 3G Era, Asian Case Research Journal (ACRJ)".

Contact: [tterence@ceibs.edu](mailto:tterence@ceibs.edu)

Tsai, Terence and Shubo Phillip Liu. 2011. "Hong Kong Disneyland: Green Challenge, Asian Case Research Journal". Vol. 15, Iss. 2, pp. 177-200.

Contact: [tterence@ceibs.edu](mailto:tterence@ceibs.edu)

Liu, Shubo, Chung, Rebecca, Tsai, Terence. 2012. "Mamma Mia! Made in China - Challenges in Developing the Musical Industry". CC-312-009.

**Abstract:** Mamma Mia! was the first ever all-Chinese production of a major hit musical. With costs coming in at 40 million RMB, Mamma Mia! had performed 112 shows in Shanghai, Guangzhou and Beijing by July 2011. The show's producer, Asian United Entertainment Corporation, was proud to be an ice-breaker in China's musical industry. But in China's fledgling musical industry, Asian United faced multiple challenges, including a shortage of private investors and qualified music professionals and an underdeveloped ticket-distribution system and incentive mechanism for its collaborators. Another challenge was the selection and introduction of Western musicals.

**Paper:** <http://www.ceibsonline.com/case/en/show/index/type/52/id/665>

Contact: [tterence@ceibs.edu](mailto:tterence@ceibs.edu)

Tsai, Terence, Young, Michael N., Cheng, Bor-Shiuan, and Liu, Shubo Philip. 2010. "Sinyi Real Estate in China: The Challenges of Maintaining an Ethical Business Culture, Asian Case Research Journal". Vol. 14, Iss. 2, pp. 1-27.

Contact: [tterence@ceibs.edu](mailto:tterence@ceibs.edu)

Xu, Leiping, Zhu, Jenny and Velamuri, Ramakrishna S.. 2012. "South Beauty (B)". CC-312-002 (Eng).

Contact: [rvelamuri@ceibs.edu](mailto:rvelamuri@ceibs.edu)

Wang, Gao and Zhang, Christina. 2012. "Dulala's Promotion". CC-512-043(Eng). CI-512-043(Chn).

Contact: [wgao@ceibs.edu](mailto:wgao@ceibs.edu)