

Newsletter

Faculty Research Publications



China Depth, Global Breadth

Published Articles

Cai, Jiangnan. forthcoming. "The Dilemmas of Healthcare". *China Hospital CEO*.
Contact: jncal@ceibs.edu

Cai, Jiangnan. 2013. "Government monopoly is the core problem of health reform". *CEIBS Business Review*. 2013(6).
Contact: jncal@ceibs.edu

Cai, Jiangnan, and Ding, Zhulin. 2013. "Who provides elderly long-term care?". *China Health*. 2013 (5).
Contact: jncal@ceibs.edu

Cai, Jiangnan. 2013. "The career system makes physicians 'prostituting'". *Medical Community*. 2013 (4).
Contact: jncal@ceibs.edu

Cai, Jiangnan. 2013. "Improving Career Status of Physicians". *China Health Talents*. 2013 (3).
Contact: jncal@ceibs.edu

Cai, Jiangnan. 2013. "Improving citizens' health is the ultimate goal". *China Health*. 2013 (3).
Contact: jncal@ceibs.edu

Song, Wei, Li, Pei, and Cai, Jiangnan. 2013. "Fund Raising, operation, and cost control of national catastrophic health insurance: 'how to set up catastrophic health insurance system' Roundtable Summary". *中国卫生政策研究 (China Journal of Health Policy)*. 2013 (1).
Contact: jncal@ceibs.edu

Cai, Jiangnan, and Ding, Zhulin. 2013. "Catastrophic health insurance, where is the money from?". *China Health*. 2013 (1).
Contact: jncal@ceibs.edu

Yeung, Matthew, Ramasamy, Bala, and Chen, Junsong. forthcoming. "Selling to the Urban Chinese in East Asia: Do Corporate Social Responsibility (CSR) and Value Orientation Matter?". *Journal of Business Research*.

Contact: cjunsong@ceibs.edu; brama-samy@ceibs.edu

Chen, Xinlei (Jack), Chen, Yuxin and Xiao, Ping. forthcoming. "The Impact of Sampling and Network Topology on the Estimation of Social Inter-correlations". *Journal of Marketing Research*. (FT45).
Contact: yxchen@ceibs.edu

Chen, Yuxin and Cui, Haitao Tony. forthcoming. "The Benefit of Uniform Price for Branded Variants". *Marketing Science*. (FT45).
Contact: yxchen@ceibs.edu

Bala, Ram, Bhardwaj, Pradeep, and Chen, Yuxin. forthcoming. "Offering Pharmaceutical Samples: The Role of Physician Learning & Insurance Coverage". *Marketing Science*. (FT45).

Abstract: Physicians may learn about prescription drug effectiveness directly from the firm via detailing or from patient experience. Patient-mediated learning is aided by the use of free drug samples. The effective use of samples is hampered by a lack of understanding of its exact return on investment implications. We seek to fill this gap by incorporating the physician's sample allocation behavior in the firm's decision making. We uncover the following implications for firms as well as policy makers. First, we find that the optimal sampling level for a drug category is a non-monotonic function of patient payment ability and the price of the drug. Second, an increase in the cost of samples can lead to an increase in sampling and a decrease in detailing when the physician's propensity to provide sample subsidies is high. Third, when future market growth is expected to be high (early stage product life cycle and/or chronic drugs) and sampling efficiency is low, the use of sampling is profitable for the firm but leads to lower market coverage than when sampling is disallowed.

Paper: <http://mktsci.journal.informs.org/content/32/3/522.short>
Contact: yxchen@ceibs.edu

Chen, Yuxin, and Steckel, Joel H. 2012. "Modeling Credit Card Share of Wallet: Solving the Incomplete Information Problem". *Journal of Marketing Research*. (FT45) Vol. 49, No. 5, pp. 655-669.
Abstract: Despite the powerful technologies that

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have enabled the assembly of transactional databases and the processing of information about individual customers and their buying patterns, database marketers have been limited by what is known as the "incomplete information problem"—that is, marketers have incomplete information about a customer's behavior in the product category of interest. A company's transactional database can only be built from customers' transactions with that company. Any transactions that have been made with other companies are missing. The authors present a modeling approach designed to solve the incomplete information problem. They use transactions conducted with a single supplier in that category to infer consumers' behavior with other suppliers in that category. In particular, armed with prior knowledge of the parametric form of consumer interpurchase time distributions, they uncover elements of the stochastic process that dictates which supplier a consumer chooses on a particular purchase occasion. The authors focus on interpurchase times because they form the core of the incomplete information problem. If a company uses its observed interpurchase times to estimate interpurchase times in the category for a specific consumer, its estimate will be biased upward. Combined with the model developed in this study, a familiar analysis of transaction profitability can be used to build a new type of lifetime value: lifetime category value of the customer.

Paper: <http://www.journals.marketingpower.com/doi/abs/10.1509/jmr.06.0005>

Contact: yxchen@ceibs.edu

Chen, Xinlei (Jack), Chen, Yuxin, and Weinberg, Charles B. forthcoming. "Learning About Movies: The Impact of Movie Release Types on the Nationwide Box Office". *Journal of Cultural Economics*.

Contact: yxchen@ceibs.edu

Chen, Yuxin and Li, Xinxin. forthcoming. "Group Buying Commitment and Sellers' Competitive Advantages". *Journal of Economics & Management Strategy*.

Contact: yxchen@ceibs.edu

Li, Xinxin and Chen, Yuxin. forthcoming. "Employer-Managed IT Procurement: Product Compatibility, Network Effects and Exclusive Purchase Commitment". *Information Systems Research*. (FT45).

Abstract: When companies purchase IT products for their employees, departments or divisions, whether to standardize on one product or to allow the users to make their own choices is an important decision for IT managers to make. By consolidating demand and committing to buy from a single seller, standardization ensures product compatibility within corporation and has a potential to induce intense price competition among sellers, but this potential is subject to whether competing products are compatible and the relative competitive advantages of the sellers. This paper studies when it is optimal for an employer to commit to exclusive purchase from a single seller to enforce standardization, and sellers' incentives to invest in mutual compatibility. Our results suggest that the employer is more likely to make such a commitment when the competing products are compatible, less vertically differentiated and/or more horizontally differentiated. We also find that the sellers agree to cooperate and invest in mutual compatibility only when the gap between their competitive advantages is moderate, but the availability of third party converters that enable partial compatibility can induce more collaboration among the sellers.

Paper: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1992640
Contact: yxchen@ceibs.edu

Lambrecht, Anja, Katja Seim, Vilcassim, Naufel, Cheema, Amar, Chen, Yuxin, Crawford, G., Hosanagar, Kartik, Iyengar, Raghuram, Koenigsberg, O., Lee, O., Miravete, E., and Sabin, O.. 2012. "Discrimination in Service Industries". *Marketing Letters*. 23, 2, 423-438.

Paper: <http://pages.stern.nyu.edu/~rslee/papers/PDService.pdf>
Contact: yxchen@ceibs.edu

Che, Hai, Chen, Xinlei (Jack), and Chen, Yuxin. 2012. "Investigating Effects of Out-of-Stock on Consumer Stockkeeping Unit Choice". *Journal of Marketing Research*. (FT45) 49, 4, pp. 502-513.

Abstract: Out-of-stock (OOS) is commonly observed in the retail environment with consumer packaged goods, but there have been few empirical studies regarding the effects of OOS on consumer product choice, mostly because OOS information during households' purchase occasions is difficult to obtain. The authors study the effects of OOS on consumer stockkeeping unit (SKU) preference and price sensitivity, using a unique data set from multiple consumer packaged goods categories with information on recurring OOS incidents. They obtain several substantive findings: (1) Consumers' price sensitivity tends to be underestimated when OOS is not accounted for in a discrete choice model; (2) for consumers who have shorter interpurchase time, their preference for a SKU is attenuated when it is frequently stocked out; and (3) for consumers who purchase from a small number of SKUs, their preference for a SKU is reinforced when facing OOS of other similar SKUs, whereas it is attenuated when facing OOS of other similar and also frequently purchased SKUs. To obtain further managerial insights from the study, the authors carry out three counterfactual analyses based on their estimation results to investigate the impact of OOS on SKU and category demand. They also find that eliminating all OOS incidents in the categories studied leads to an average increase of 2.64% in category sales. However, the impacts of OOS on category sales differ across categories. In a category (e.g., ketchup) in which the contextual effect of OOS is positive, the authors find that eliminating all recurring OOS may actually lower the category sales. Last, they perform an analysis that shows that retailers could benefit more from eliminating the OOS of the SKU with the highest marginal revenue impact. In this regard, this research suggests that there is a strong need for the retailers and manufacturers to routinely collect OOS data in retail revenue management.

Paper: http://www.marketingpower.com/AboutAMA/Pages/AMA%20Publications/AMA%20Journals/Journal%20of%20Marketing%20Research/TOCs/SUM_2012.4/investigating-effects-out-of-stock.aspx

Contact: yxchen@ceibs.edu

Miller, S. R., Indro, D. C., Richards, M., & Chng, D. H. M. forthcoming. "Financial implications of local and nonlocal rival isomorphism: a signaling paradox". *Journal of Management*. (A*)

Abstract: We develop a framework to explain the likelihood of isomorphic behavior by a focal firm toward local rivals and nonlocal rivals and then predict financial performance associated with these isomorphic actions. We predict a causal relationship between rival isomorphism and financial performance that reveals a paradox. We test and find support for our hypotheses using a sample of firms raising capital abroad from 1994 to 2005. We consider a focal firm's perceptions of

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local and nonlocal rival isomorphism and assert that investors have different perceptions of local and nonlocal rival isomorphism that affects financial performance of the equity offering.

Paper: <http://jom.sagepub.com/content/early/2013/06/27/0149206313493323.full>
Contact: dchng@ceibs.edu

Cronqvist, Henrik and Fahlenbrach, Rüdiger. 2013. "CEO contract design: How do strong principals do it?". *Journal of Financial Economics*. (FT45) 108(3), pp. 659-674.

Abstract: We study changes in chief executive officer (CEO) contracts when firms transition from public ownership with dispersed owners to private ownership with strong principals in the form of private equity sponsors. The most significant changes are that a significant portion of equity grants performance-vests based on prespecified measures and that unvested equity is forfeited by fired CEOs. Private equity sponsors do not reduce base salaries, bonuses, and perks, but redesign contracts away from qualitative measures. They use some subjective performance evaluation, do not use indexed or premium options, and do not condition vesting on relative industry performance. We compare the contracts to predictions from contracting theories, and relate our results to discussions of executive compensation reform.

Paper: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1786132
Contact: hcronqvist@ceibs.edu

Cronqvist, Henrik, Makhija, A., and Yonker, Scott E.. 2012. "Behavioral consistency in corporate finance: CEO personal leverage and corporate leverage". *Journal of Financial Economics*. (FT45) 103(1), pp. 20-40.

Abstract: We find that firms behave consistently with how their CEOs behave personally in the context of leverage choices. Analyzing data on CEOs' leverage in their most recent primary home purchases, we find a positive, economically relevant, robust relation between corporate and personal leverage in the cross-section and when examining CEO turnovers. The results are consistent with an endogenous matching of CEOs to firms based on preferences, as well as with CEOs imprinting their personal preferences on the firms they manage, particularly when governance is weaker. Besides enhancing our understanding of the determinants of corporate capital structures, the broader contribution of the paper is to show that CEOs' personal behavior can, in part, explain corporate financial behavior of the firms they manage.

Paper: <http://www.sciencedirect.com/science/article/pii/S0304405X11001851>
Contact: hcronqvist@ceibs.edu

de Bettignies, H.C.. 2013. "Developing Responsible Leaders: Who is Responsible?". *GRLI Reflections*. Vol 1, GRLI, Brussels, pp. 1-18.

Contact: debettignies@ceibs.edu

Hoogervorst, N., De Cremer, D., & van Dijke, M.. forthcoming. "When do leaders grant voice? The role of followers' control and belongingness needs in leaders' enactment of fair procedures". *Human Relations*.

Contact: ddecremer@ceibs.edu

Haessevoets, T., Reinders Folmer, C., De Cremer, D., & Van Hiel, A.. 2013. "Money isn't all that matters: The use of financial compensation and apologies to preserve relationships in the aftermath of distributive harm". *Journal of Economic Psychology*. 35, 95-107.

Abstract: Previous studies have shown that when a recipient suffers from financial harm, allocators can use repair strategies that address financial or relational interests to promote relationship repair. Research to date, however, has neglected to study the effects of financial and relational strategies on relationship preservation simultaneously. In the present contribution, we examine this question. Based on the equality norm, we hypothesized that a financial compensation that fails to redress the harm suffered by the recipient (i.e., undercompensation) will be less effective in preserving a relationship than a financial compensation that do redress it (i.e., equal compensation and overcompensation). Moreover, we expected that relational strategies (i.e., apologies) would promote relationship preservation in contexts where the financial compensation alone is insufficient to redress the harm to the recipient, thus in cases of undercompensation. The results of a pilot study and a lab experiment using the dictator game confirmed our hypotheses. Consequently, our studies demonstrate that even in purely economic settings, relational strategies (i.e., apologies) can facilitate relationship preservation over and above financial strategies (i.e., financial compensation).

Paper: <http://www.sciencedirect.com/science/article/pii/S0167487013000275>
Contact: ddecremer@ceibs.edu

Leunissen, J., De Cremer, D., & Reinders, F.. 2012. "The Importance of Forgiveness in Perpetrators' Choice to Apologize: An Instrumental Perspective on Apologizing in Bargaining". *Journal of Economic Psychology*. 32, 215-222.

Contact: ddecremer@ceibs.edu

Stouten, J., van Dijke, M., & De Cremer, D.. 2012. "Leading with integrity: Current perspectives on the psychology of ethical leadership". *Journal of Personnel Psychology*. 11(1), 1-5.

Contact: ddecremer@ceibs.edu

De Cremer, D., & Debettignies, H-C. 2013. "Pragmatic business ethics". *Business Strategy Review*. Vol. 24, Issue 2, pp. 64-67.

Paper: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2265244
Contact: ddecremer@ceibs.edu

Leunissen, J., De Cremer, D., Reinders Folmer, C., & van Dijke, M.. 2013 May. "The apology mismatch: Asymmetries between victim's need for apologies and perpetrator's willingness to apologize". *Journal of Experimental Social Psychology*. 49(3), 315-324.

Abstract: Although previous research on apologies has shown that apologies can have many beneficial effects on victims' responses, the dyadic nature of the apology process has largely been ignored. As a consequence, very little is known about the congruence between perpetrators' willingness to apologize and victims' willingness to receive an apology. In three experimental studies we showed that victims mainly want to receive an apology after an intentional transgression, whereas perpetrators want to offer an apology particularly after an unintentional transgression. As expected, these divergent apologetic needs among victims and perpetrators were mediated by unique emotions: guilt among perpetrators and anger among victims. These re-

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sults suggest that an apology serves very different goals among victims and perpetrators, thus pointing at an apology mismatch.

Paper: <http://www.sciencedirect.com/science/article/pii/S0022103112002454>

Contact: ddecremer@ceibs.edu

De Cremer, D.. forthcoming. "Half-hearted leadership: When leadership is put on hold and procrastination dictates". *Business Strategy Review*.

Contact: ddecremer@ceibs.edu

Van Dijke, M., De Cremer, D., Brebels, L., and Van Quaquebek, N.. forthcoming. "Willing and Able: Action-State Orientation and the Relation Between Procedural Justice and Employee Cooperation". *Journal of Management*. (A*)

Abstract: Existing justice theory explains why fair procedures motivate employees to adopt cooperative goals, but it fails to explain how employees strive toward these goals. We study self-regulatory abilities that underlie goal striving, abilities that should thus affect employees' display of cooperative behavior in response to procedural justice. Building on action control theory, we argue that employees who display effective self-regulatory strategies (action-oriented employees) display relatively strong cooperative behavioral responses to fair procedures. A multisource field study and a laboratory experiment support this prediction. A subsequent experiment addresses the process underlying this effect by explicitly showing that action orientation facilitates attainment of the cooperative goals that people adopt in response to fair procedures, thus facilitating the display of actual cooperative behavior. This goal striving approach better integrates research on the relationship between procedural justice and employee cooperation in the self-regulation and the work motivation literature. It also offers organizations a new perspective on making procedural justice effective in stimulating employee cooperation by suggesting factors that help employees reach their adopted goals.

Paper: <http://jom.sagepub.com/content/early/2013/03/01/0149206313478187.abstract>

Contact: ddecremer@ceibs.edu

Cornelis, I., Van Hiel, A., & De Cremer, D.. 2012. "The Effect of Follower Belongingness Needs on Leaders' Procedural Fairness Enactment: Mediation through Interpersonal and Team Attraction". *Journal of Personnel Psychology*. 11(1), 31-39.

Contact: ddecremer@ceibs.edu

Brebels, L., De Cremer, D., Sedikides, C., & Van Hiel, A.. 2013 June. "Self-Focus and Procedural Fairness: The Role of Self-Rumination and Self-Reflection". *Social Justice Research*. 26(2), 151-167.

Abstract: This article examined the differential role of self-rumination and self-reflection on the psychological influence of procedural fairness. Study 1 induced self-rumination and self-reflection relative to an outward-focused control. Self-rumination increased the perceived importance of procedural fairness, whereas self-reflection decreased it. Study 2, assessing individual differences in self-rumination and self-reflection, showed that a standard procedural fairness manipulation (voice vs. no voice) predicted future interaction preferences with the enactment source among those high (but not low) in self-rumination and among those low (but not high) in self-reflection. The findings validate a multiple process approach to understanding the role of the

self in procedural fairness.

Paper: <http://link.springer.com/article/10.1007%2F11211-013-0180-4#>

Contact: ddecremer@ceibs.edu

Cornelis, I., Van Hiel, A., De Cremer, D., & Mayer, D.. 2013 July. "When leaders choose to be fair: Follower belongingness needs and leader empathy influences leaders' adherence to procedural fairness rules". *Journal of Experimental Social Psychology*. Vol 49, Issue 4, 605-613.

Abstract: Previous studies on procedural fairness have largely neglected to examine factors that influence leaders' enactment of fairness. Two controlled laboratory experiments and a field study with leaders working within organizations investigated the combined impact of follower belongingness needs and leader empathy. It was revealed that leaders are more apt to enact fair procedures when followers' belongingness needs are high rather than low. This effect was further moderated by leader empathy, such that highly empathic leaders, either because of individual differences or through situational induction, take followers' belongingness needs more into account. The relevance of these findings for procedural rule adherence and violation as a dependent variable and empathic leadership is discussed.

Paper: <http://www.sciencedirect.com/science/article/pii/S0022103113000528>

Contact: ddecremer@ceibs.edu

Joosten, A., van Dijke, M., Van Hiel, A., & De Cremer, D. forthcoming. "Being 'In Control' may make you lose control: The role of self-regulation in unethical leadership behavior". *Journal of Business Ethics*. (FT45).

Abstract: In the present article, we argue that the constant pressure that leaders face may limit the willpower required to behave according to ethical norms and standards and may therefore lead to unethical behavior. Drawing upon the ego depletion and moral self-regulation literatures, we examined whether self-regulatory depletion that is contingent upon the moral identity of leaders may promote unethical leadership behavior. A laboratory experiment and a multisource field study revealed that regulatory resource depletion promotes unethical leader behaviors among leaders who are low in moral identity. No such effect was found among leaders with a high moral identity. This study extends our knowledge on why organizational leaders do not always conform to organizational goals. Specifically, we argue that the hectic and fragmented workdays of leaders may increase the likelihood that they violate ethical norms. This highlights the necessity to carefully schedule tasks that may have ethical implications. Similarly, organizations should be aware that overloading their managers with work may increase the likelihood of their leaders transgressing ethical norms.

Paper: <http://link.springer.com/article/10.1007%2F10551-013-1686-2>

Contact: ddecremer@ceibs.edu

Xu, Bin, Fernandez, Juan Antonio and Zhou, Dongsheng. 2013. "Performance Trends to be More Optimistic This Year—2013 Business in China Survey". *CEIBS Business Review*. Issue 4, pp. 118-122.

Contact: xubin@ceibs.edu; fjuan@ceibs.edu; zdongsheng@ceibs.edu

Han, Joo. H., Hui, L., Kim, S. and Han, Jian. forthcoming.

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"Organizational Empowerment Climate, Leadership, and Job Performance: A Cascading, Contingency Model". *Academy of Management Best Paper Proceedings, 2013 Academy of Management Annual Conference.*

Abstract: drawing upon the theory of contextual influences on organizational behavior (Johns, 2006) and interactionist perspective (Chatman, 1989), we propose that organizational empowerment climate cultivates team leaders' empowering leadership, which is more pronounced when team leaders' organizational identification is high and less pronounced when their need for power and narcissism are high. We further propose that the empowering leadership induced by the organizational empowerment climate in turn enhances team members' job performance, which is more pronounced when team members are high in leader identification, need for power, and narcissism. Analyses of data from 834 team members and 189 teams in 46 organizations reveal that organizational empowerment climate was positively related to team leaders' empowering leadership particularly when they are high in organizational identification and low in need for power and narcissism. Empowering leadership was found to significantly relate to team members' job performance particularly when they are high in narcissism. Several theoretical and practical implications are discussed.

Contact: jianhan@ceibs.edu

Cha, J., Chang, Y., & Kim, T.-Y.. forthcoming. "Person-Organization Fit on Prosocial Identity: Implications on Employee Outcomes". *Journal of Business Ethics.* (FT45).

Contact: tykim@ceibs.edu

Yeung, M. and Ramasamy, B.. forthcoming. "Are Shocks to Brands Permanent or Transient". *Journal of Brand Management.*

Contact: bramasamy@ceibs.edu

He, Jia, Mao, Xinyang, Rui, Oliver, and Zha, Xiaolei. 2013. "Business group in China". *Journal of Corporate Finance.* (A*) 22, pp. 166-196.

Abstract: We investigate whether business groups in China act as internal capital markets, in an environment that is characterized by a high level of government intervention, a weak legal system, and an underdeveloped financial market. We study how institutional factors, such as the ultimate owner and level of market development, shape the role of these business groups. We find that business groups help member firms overcome constraints in raising external capital, and that the internal capital market within a business group is more likely to be an alternative financing channel among state-owned firms than among private firms. We also find that the internal capital market is more likely to help those affiliated firms which are private, local government owned relative to those owned by central government, or located in regions with a well-developed institutional environment. We present evidence of the role of business groups in risk sharing among affiliated firms, but find that business group affiliation has no impact on firm accounting performance. This study sheds new light on the theory of the firm and its boundaries, and provides a better understanding of China's rapidly growing economy.

Paper: <http://www.sciencedirect.com/science/article/pii/S092911991300045X>

Contact: oliver@ceibs.edu

Brockman, Paul, Rui, Oliver (Meng), and Zou, Huan. forthcoming.

"Institutions and the Performance of Politically-Connected M&As". *Journal of International Business Studies.* (FT45).

Abstract: We investigate the association between a firm's political connections and its merger and acquisition (M&A) performance. Using a sample of M&A deals made by politically-connected acquirers and their matched non-connected peers across 22 countries, we find that political connections play an economically significant role in post-merger performance. The nature of this effect depends on the institutional setting. In countries with strong legal systems or low levels of corruption, politically-connected bidders underperform unconnected bidders by roughly 15% in terms of abnormal stock returns over a three-year period. In contrast, politically-connected bidders outperform unconnected bidders by more than 20% in countries with weak legal systems or high levels of corruption. We find more evidence of differential post-merger performance for domestic mergers than for cross-border mergers. Overall, our findings show that political connectedness has a significant influence on M&A activities and the nature of this influence depends crucially on the institutional environment.

Contact: oliver@ceibs.edu

Thompson, M. J.. 2013 Apr. "What Does Wise Leadership Mean?". *Forbes India.* 5 April.

Paper: <http://forbesindia.com/article/ceibs/what-does-wise-leadership-mean/34915/1>

Contact: mthompson@ceibs.edu

Thompson, M. J.. 2013. "The Wisdom Factor in Decision Making". *German Chamber Ticker.* June-July, pp. 46-48.

Paper: <http://china.ahk.de/chamber/magazines/>

Contact: mthompson@ceibs.edu

Xu, Bin. 2013. "Trend of China's Transition Irreversible". *CEIBS Business Review.* Issue 4, p. 123.

Contact: xubin@ceibs.edu

Zhang, Jiarui (Corresponding author), and Hou, Lei. Forthcoming. "Financial Structure, Productivity, and Risk of Foreign Direct Investment". *Journal of Comparative Economics.*

Abstract: This study investigates how heterogeneous firms choose their lenders when they raise external finance for Foreign Direct Investment (FDI) and how the choice of financing structure affects FDI activities. We establish an asymmetric information model to analyze why certain firms use private bank loans while others use public bonds to finance foreign production. The hidden information is the productivity shock to FDI. Banks are willing to monitor the risk of FDI, while bondholders are not; hence, banks act as a costly middleman that enables firms to avoid excessive risk. We show that firms' productivity levels, the riskiness of FDI, and the relative costs of bank finance and bond finance are three key determinants of the firm's financing choice. Countries with higher productivity, higher bank costs, or investment in less risky destinations, use more bond finance than bank finance. These results are supported by evidence from OECD countries.

Contact: zjiarui@ceibs.edu

Huo, B., Zhao, Xiande. and Zhou, H.. forthcoming. "The Effects of Competitive Environment on Supply Chain Information Sharing and Performance: An Empirical Study in China". *Production and*

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Operations Management. (FT45).

Contact: xiande@ceibs.edu

Book Chapters

Cai, Jiangnan. 2013. "Prelude". *Health Economics Research*. Fudan University Press.

Contact: jncai@ceibs.edu

de Bettignies, H.C. 2013. "Can Business Schools Lead the Way to a World Worth Living In?", Rothlin, S. & Haghirian, P.. *Dimensions of Teaching Business Ethics in Asia*. Springer-Verlag, Berlin.pp. 169-181.

Contact: debettignies@ceibs.edu

Price, Lydia J., and Thompson, Mike 2012 July. "Make Your Business School Carbon Neutral". *Inspirational Guide for the Implementation of PRME*. pp. 74-77.

Contact: plydia@ceibs.edu; mthompson@ceibs.edu

Firth, Michael and Rui, Oliver M. 2012. "Does One Size Fit All? A Study of the Simultaneous Relations Among Ownership, Corporate Governance Mechanisms, and the Financial Performance of Firms in China", edited by S. Boubaker, Springer-Verlag Berlin Heidelberg. *Corporate Governance*. pp. 29-57.

Abstract: We draw on the many aspects of corporate governance examined in the developed economies and extend them to the Chinese environment. We find evidence of strong linkage and interdependence in the use of different control mechanisms. While there are significant relations between the governance control mechanisms and firm performance, these disappear when using simultaneous equation estimation. Our findings support the argument that governance control mechanisms are substitutes for one another and there is no one set of mechanisms that are optimal in maximizing firms' performances.

Paper: http://link.springer.com/chapter/10.1007%2F978-3-642-31579-4_2#page-1

Contact: oliver@ceibs.edu

Cases

Su, Xijia, Chen, Jieping (Charles), Yang, Yu, Chen, Shaohui (Sophie), Shao, Dan. 2013. "并购谈判: 世联地产与北方信澳(A) -- 世联地产谈判人员的机密信息". CI-113-015(Chn).

Contact: sxijia@ceibs.edu; ccharles@ceibs.edu; yyu@ceibs.edu; csophie@ceibs.edu

Su, Xijia, Chen, Jieping (Charles), Yang, Yu, Chen, Shaohui (Sophie), Shao, Dan. 2013. "并购谈判: 世联地产与北方信澳(B) -- 世联地产谈判人员的机密信息". CI-113-016(Chn).

Contact: sxijia@ceibs.edu; ccharles@ceibs.edu; yyu@ceibs.edu; csophie@ceibs.edu

Chen, Weiru and Sun, Yucong. 2013. "贵州茅台: 历史的贵族如何因应新时代 (Kweichow Moutai: An Noble Liquor of History Coping with a New Age)". CC-313-048 (Eng). CI-313-048 (Chn).

Contact: weiruchen@ceibs.edu

Chen, Weiru and Sun, Yucong. 2013. "白酒行业报告 (The White Spirits (Baijiu) Industry in China, 2012)". CC-313-049 (eng). CI-313-049 (chn).

Contact: weiruchen@ceibs.edu

Chen, Weiru and Sun, Yucong. 2013. "江苏洋河: 迈向全国品牌的蓝色神话". CI-313-050 (chn).

Contact: weiruchen@ceibs.edu

Daemmrch, A.. 2013. "Macroeconomics and the Global Business Environment". CC-213-037(Eng); ECCH 213-016-1.

Abstract: This case summarizes key tools and theoretical concepts from macroeconomics, including GDP and balance-of-payment accounting, monetary policy, fiscal policy, exchange rate risk, and a trilemma in the relationship of monetary policy, exchange rates, and capital mobility. It develops issues regarding globalization for managers and business leaders to analyze and discuss.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C0F6E8DFCCAD4998C6977221DE657B4F>

Contact: adaemmrch@ceibs.edu

Daemmrch, A. and Song, W.. 2013. "Kingstar Winning: From Electronic Medical Records to Integrated healthcare in China". CC-313-056 (Eng).

Abstract: Kingstar Winning's president, Zhou Wei, seeks to position his company for faster growth in anticipation of a market shakeup among providers of electronic medical records (EMRs) and eHealth solutions to hospitals in China. Options he was considering included expanding the company's domestic project base, a domestic merger or acquisition, or international growth, possibly through a joint venture project with Huawei. The case describes the history and growth of Winning, contextualizes the transition from paper to electronic medical records underway in China, analyzes Winning's approach to EMR development through "software as a service" and a "flexible R&D mode," and evaluates specific projects at two hospitals in the Shanghai region. Exhibits provide financial data on the company, market projections, and additional information on the use of EMRs.

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Velamuri, Ramakrishna, Ding, Yuan, and Zhu, Jianhua. 2012. "Noah Wealth Management". Emerald Emerging Markets Case Studies Collection.

Abstract: Noah Wealth Management was founded by Ms Wang Jingbo, a lady in her mid 30s with a team of less than 20 members in 2005. Exploiting market opportunities offered by a lack of good wealth management products and services, Noah grew rapidly from one branch office in 2005 to 59 branch offices in 2011, reaching a staff size of 1,031. Noah listed its shares on the New York Stock Exchange in November 2010. In 2011, Noah was ranked No. 38 among the 100 Top Potential Enterprises in China. Nonetheless, Noah faced several problems of internal management during the course of its fast expansion.

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sion. In the first quarter financial report of 2012, Noah suffered a 52.6 percent decrease in net income over the corresponding period in 2011. Faced with a rapidly declining share price, Noah announced on May 22, 2012 a US \$30 million share repurchase program.

Paper: http://dandini.emeraldinsight.com/case_studies.htm?issn=2045-0621&articleid=17083978&show=html;

[DOI: 10.1108/20450621211312929#sthash.PcqwPkqc.dpuf](http://dx.doi.org/10.1108/20450621211312929#sthash.PcqwPkqc.dpuf)

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Liang, Neng; Xu, Leiping. 2013. "安徽新华发行(集团)控股: 曹杰上任 (E) (Anhui Xinhua Group: Cao Jie Takes Post E)". CI-313-052 (Chn).

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Liang, Neng, Useem, M. and Yang, Yue. 2013. "葛兰素史克公司: CEO继任 (Translation: GSK: New CEO Takes Post)". CI-313-058 (Chn).

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Liang, Neng, and Lin, Shu. 2013. "五粮液换帅: 唐桥的2009". CI-313-059 (Chn).

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Schutte, H.; Yang, W.; Probert, J. . 2013. "Finding a Casual Fashion Model for China (A) Introduction". CC-313-042(eng); ECCH313-110-1.

Abstract: This is part of a case series. The casual wear industry in China has experienced fast growth in the past decade. Competition intensified as Chinese casual wear brands matured and as established foreign retailers entered the market. As part of a case series, the Introduction describes the casual wear market in China, Chinese consumer development and the competition. The case series has five parts: (A) Introduction; (B) Giordano; (C) Metersbonwe; (D) H&M; (E) Uniqlo.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C12A53DCCEDD1A2508357381F18D41C0>

Contact: hschutte@ceibs.edu

Schutte, H.; Yang, W.; Probert, J.. 2013. "Finding a Casual Fashion Model for China (B) Giordano International: An Early Foreign Entrant". CC-313-043(Eng); ECCH 313-111-1.

Abstract: This is part of a case series. The casual wear industry in China has experienced fast growth in the past decade. Competition intensified as Chinese casual wear brands matured and as established foreign retailers entered the market. The Hong Kong-based Giordano company pioneered casual wear retailing in China, but in recent years, it encountered difficulties arising from both competition and internal management problems. As part of a case series, the Giordano case discusses how the company's business model evolved over time to counter the challenges. The case series has five parts: (A) Introduction; (B) Giordano; (C) Metersbonwe; (D) H&M; (E) Uniqlo.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C12A53DCCEDD1A2508357381F18D41C0>

Contact: hschutte@ceibs.edu

Schutte, H.; Yang, W.; Probert, J.. 2013. "Finding a Casual Fashion Model for China (C) Metersbonwe: Battling on Its Home Turf". CC-313-044 (Eng); ECCH 313-112-1.

Abstract: This is part of a case series. The casual wear industry in China has experienced fast growth in the past decade. Competition intensified as Chinese casual wear brands matured and as established foreign retailers entered the market. The Metersbonwe company emerged as a leading Chinese casual wear retailer. As part of a case series, the Metersbonwe case discusses how the company's business model evolved over time to confront the competition. The case series has five parts: (A) Introduction; (B) Giordano; (C) Metersbonwe; (D) H&M; (E) Uniqlo.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C12A53DCCEDD1A2508357381F18D41C0>

Contact: hschutte@ceibs.edu

Schutte, H.; Yang, W.; Probert, J.. 2013. "Finding a Casual Fashion Model for China (D): H&M in China: Can a Latecomer Take All?". CC-313-045(Eng); ECCH 313-113-1.

Abstract: This is part of a case series. The casual wear industry in China has experienced fast growth in the past decade. Competition intensified as Chinese casual wear brands matured and as established foreign retailers entered the market. The Swedish company H&M entered the Chinese market only in 2007 but swept the country by doubling the number of its stores every year. As part of a case series, the H&M case discusses how the company's business model evolved over time to compete in China. The case series has five parts: (A) Introduction; (B) Giordano; (C) Metersbonwe; (D) H&M; (E) Uniqlo.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C12A53DCCEDD1A2508357381F18D41C0>

Contact: hschutte@ceibs.edu

Schutte, H.; Yang, W.; Probert, J.. 2013. "Finding a Casual Fashion Model for China (E): Uniqlo: Global Competition in China". CC-313-046(Eng); ECCH 313-114-1.

Abstract: This is part of a case series. The casual wear industry in China has experienced fast growth in the past decade. Competition intensified as Chinese casual wear brands matured and as established foreign retailers entered the market. The Japanese company Uniqlo failed in its early entry into the Chinese market but turned around in 2006 by opening big stores in major shopping malls and launching successful market strategies. As part of a case series, the Uniqlo case discusses how the company's business model evolved over time to compete in China. The case series has five parts: (A) Introduction; (B) Giordano; (C) Metersbonwe; (D) H&M; (E) Uniqlo.

Paper: <http://www.thecasecentre.org/educators/search/results?s=C12A53DCCEDD1A2508357381F18D41C0>

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Tsamenyi, Mathew (Visiting Professor, CEIBS Africa); Akua Afful-Kwaw, Patricia. 2013. "Management Accounting at Ashanti Goldfields Corporation". CC-113-006(Eng).

Abstract: Ashanti Goldfields Corporation was set up by two Merchants from Cape Coast, Joseph Ellis and Joseph Biney and their accountant Joseph Brown. In 1895 they reached an agreement with Edwin Cade for the sale of the mine which was then called the Ellis Mine. The Company was listed on the London Stock Exchange shortly after the sale in 1897. Following years of variations in the composition

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of the shareholding of the Company, Ashanti Goldfields merged with AngloGold of South Africa in 2004. The merger resulted in the change of name to AngloGold Ashanti.

The management accounting system was initially centralized at the HQ when the HQ was located in London. Even when the HQ was transferred to Accra, things did not improve and this led to frustrations in times of emergencies. The listing on the Stock Exchanges of Ghana, London and New York in 1994 brought some changes in the MA system such as the appointment of financial controllers at the mines who reported to the Chief Operating Officer at the HQ. Each mine was also given more autonomy with output targets provided by the executive board and with the mines determining means of achieving those targets. Overall however these changes did not impact significantly on the use of MA information in the mine. For example, MA information continued to be disregarded in day-to-day operations.

The significant changes in the MA that were noted in the Company occurred after the Company experienced financial crisis in the late 1990s. Unlike the previous practice where cost accountants were disregarded by mine captains and managers, each mining section was assigned a cost accountant to assist the mine captain and managers accumulate their costs and interpret budget performance reports. These were measures put in place to create an awareness of costs at AGC since initially the cost controls were relaxed.

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2013, Dublin, Ireland.

News: <http://www.ceibs.edu/media/archive/112786.shtml>

Awards and Honors

Prof. Jeongwen Chiang, and Prof. Yuxin Chen have been selected as the recipients of the 2012 Paul E. Green Award for their article "Determining Consumers' Discount Rates with Field Studies," which appeared in the December 2012 (Volume 48, Number 1) issue of *Journal of Marketing Research*.

News: <http://www.ceibs.edu/media/archive/112897.shtml>
<http://www.marketingpower.com/AboutAMA/Pages/AMA%20Publications/AMA%20Journals/Journal%20of%20Marketing%20Research/JMRAwards.aspx>

The research project "Managerial Perks: Are They Costs or Incentives?" by Prof. Yuan Ding, Assistant Prof. Hua Zhang and Yuanyang Song (former RA at CEIBS), has received the 2012 Emerald/IACMR Chinese Management Research Fund Award.

News: <http://www.ceibs.edu/media/archive/112262.shtml>; <http://www.emeraldinsight.com/research/awards/iacmr.htm>

The research paper "Organizational Empowerment Climate, Leadership, and Job Performance: A Cascading, Contingency Model", co-authored by Prof. Jian Han, has been selected as this year's best paper at 2013 Academy of Management Annual Conference, and will be accepted for publication in *AoM Best Paper Proceedings*.

The research paper "Absorptive Capacity and Mass Customization Capability: The role of customers and suppliers as sources of knowledge", co-authored by Prof. Xiande Zhao, has won the Chris Voss Best Paper Award, which was granted to the best paper presented at the EurOMA Conference, 7th-12th, June,