Celebrating the 5th Anniversary of EMBA-Global Asia

Beta Gamma Sigma Induction Ceremony, Global Leadership Summit and members’ activity
Beta Gamma Sigma

FBE Mentorship Programme Thanksgiving and Inauguration Ceremony
FBE Mentorship Programme

FSDC Practitioner Speakers Series “Life as a Banker”
FSDC Practitioner Speakers Series

HKU MBA A High Table Dinner that draws strong support
HKU MBA

Nobel Laureate Distinguished Lecture Professor Eric S. Maskin

Jul 2016
The Faculty Mentorship Programme celebrated its third-year launch on January 21, 2016. This year, 46 pairs of mentors and mentees were matched, up from 41 pairs in 2015. Many of the mentors (seasoned professionals, senior executives and entrepreneurs) who joined last year’s Mentorship Programme continued their support this year. Through the Mentorship Programme, students are empowered to connect to the commercial world, and build their business and personal networks to support their future careers.

Mentees who participated in the 2015 programme also joined the Inauguration Ceremony. Miss Jamie Law, a Year-3 BBA (A&F) student, represented the 2015 mentees to share with the audience her personal experiences and lessons learned from the programme. Mentees from the 2015 programme then took the opportunity to express their heartfelt thanks to their mentors with a small gift. The inauguration ceremony ended with this year’s mentors and mentees introducing themselves to each other and exchanging contact details at a reception. In May, all mentors and mentees met at a recently-opened lounge bar in Central to catch up with each other.
The HKU-Citibank University Banking Course 2015-2016 kicked off at HKU on January 21, 2016. Professor Ian Holliday, Vice-President and Pro-Vice-Chancellor (Teaching and Learning) of HKU; Professor Eric Chang, Dean of Business and Economics; and Ms. Angel Ng, Country Business Manager for Citibank Global Consumer Banking, joined the Inaugural Ceremony.

48 second- and third-year students from the Faculty of Business and Economics, as well as non-FBE students pursuing a major or minor offered by the Faculty, were selected to join the course, which ran from January to April 2016. Taught by seasoned bankers from Citibank, the course aimed to provide students with an inclusive understanding of banking operations and practices.

Over 400 students have participated in the course since its launch in 2004. The graduation ceremony was held on April 19, officiated by Professor Ian Holliday and Mr. Wayne Fong, Head of Corporate Affairs, Citi Hong Kong. After the four-month course, which comprised 15 classroom lectures and a visit to Citibank’s Central branch, four students were awarded “Outstanding Achievement Awards” and offered summer internship opportunities at Citi Hong Kong.
The University of Hong Kong – New World Group Business Elite Students (“BEST”) Programme 2015-2016, jointly conducted by New World Group and the Faculty of Business and Economics (FBE), was held from January to April 2016. This year 48 non-final year students, including both FBE and non-FBE students pursuing a major or minor offered by the Faculty, were selected to join the Programme.

Mr. Douglas So, Vice-President and Pro-Vice-Chancellor (Institutional Advancement) of HKU; Professor Eric Chang, Dean of Business and Economics; and Mr. Teddy Liu, General Manager of Corporate and Talent Development, New World Development Company Limited, officiated at the Inauguration Ceremony on January 19.

Consisting of classroom lectures and discussions led by highly experienced executives from New World Group, the Programme aimed to provide students with an understanding of overall strategic management at a business conglomerate. Students are also able to explore real-life application of management models by participating in corporate visits, study trips and corporate sustainability events.

The Graduation Ceremony, held on April 27, was attended by Mr. Douglas So, Professor Eric Chang and Ms. Leonie Ki, Executive Director, New World Development Company Limited. 48 students successfully completed the Programme and three students were awarded “Outstanding Achievement Awards” and offered summer internship opportunities at New World Group.
Eighty-seven students and two chapter honorees were inducted as Beta Gamma Sigma members at the Beta Gamma Sigma HKU Chapter Induction Ceremony 2016, held in HKU’s Convocation Room on April 25, 2016.

After giving a warm welcome speech, Chapter President Professor Eric Chang, together with Chapter Advisor Dr. Derek Man, presented the Chapter Honoree Awards to two successful leaders: Ms. Su-Mei Thompson and Mr. Philip Chen.

Ms. Su-Mei Thompson is the CEO of The Women’s Foundation, an NGO dedicated to improving the lives of women and girls in Hong Kong. Originally a corporate finance lawyer, she held senior management positions at companies including Disney, the Financial Times and Christie’s before joining TWF. Ms. Thompson began her acceptance speech by talking about her career journey, explaining why she stepped off the corporate ladder to head up an NGO. She also offered several insights on opportunities and challenges for women in the workforce, and tips for professional success and personal fulfilment. Ms. Thompson advised students to have a clear sense of self and personal values – a set of beliefs about how to behave, how to treat others, and how to do business. She reminded the audience to not just achieve their full potential, but also to find ways to help others.

Mr. Philip Chen is the Managing Director of Hang Lung Group and Hang Lung Properties Limited. Prior to joining Hang Lung, he had been with the Swire Group for thirty-three years. In his acceptance speech, Mr. Chen shared how he gained overseas experience by joining a shipping company as a radio cadet, and stories about his campus life as a student and a faculty member at HKU. He stressed that integrity and a strong value system will equip young people for life – emphasising the importance of honesty, willingness to admit shortcomings and mistakes, and maintaining a humble attitude at work and in the community. Mr Chen explained that although the world may change significantly, values and ethics never change. As the failure of an organisation represents the failure of individual values, it is of the utmost importance to hold fast to our values and beliefs as human beings.
On April 14, 2016, members of the Beta Gamma Sigma HKU Chapter enjoyed a corporate visit to the Hong Kong office of LinkedIn, a global recruitment online platform.

Before the sharing session, Ms. Lauren Gilbert, Sales Manager (Talent Solutions) from LinkedIn Hong Kong showed the group around the office. The tour provided a valuable chance for BGS members to learn more about social media, work environments, and corporate culture.

During the sharing session, Ms. Gilbert explained the advantages of using LinkedIn, and how to make profiles stand out to recruiters and hiring managers - allowing BGS members to strengthen their job-hunting strategy and establish an eye-catching profile.
The Beta Gamma Sigma Global Leadership Summit – which took place in Orlando, Florida – is a leadership summit for high-achieving business students from all over the world. We spent a weekend participating in development programmes, relationship-building activities, inspiring talks and a rewarding team competition. We also learned new and innovative solutions to business problems. The summit incorporated the Clifton Strengthsfinder as the foundation of the programme, providing us with an optimal leadership learning experience.

Over the weekend, we participated in a wide variety of learning activities, which equipped us with essential leadership skills. We learned from the leadership summit why we should leverage our strengths instead of focusing on improving our weaknesses. We also explored how our strengths help us to work together as a team and be authentic leaders. This session helped me understand my strengths in detail, and how to make full use of them.

Dr Tom Robinson, President of AACSB International, delivered a talk about Powering the ‘Business of Business’ in a New Direction. This thought-provoking session inspired us to redefine what business could look like in the future. Instead of associating commerce with negativity, he asked us to think how we could make a positive impact by being ethical business leaders.

The most exciting part of the leadership summit was the case competition. Our team had 24 hours to develop a business proposal for a social enterprise and make a presentation about the idea. At first, we had no idea about what kind of social enterprises to set up. I suggested an enterprise similar to Soap Cycling at HKU, and my teammates decided to adopt it as the basis of our proposal. I was very honoured to introduce a Hong Kong business idea to these international students. Thanks to our combined efforts, we were able to win the team competition. This was a wonderful experience for me because it was my first time collaborating with an international team. These skills will be fundamentally important for my future career, as I now understand how to work with people from diverse backgrounds. Although we all have differences in the beginning, working together creates a more comprehensive solution in the end. The case competition was also a great chance for me to network and build friendships with people.

I believe that cultural exchange is one of the most important benefits of the leadership summit. During the business talks, I experienced how outspoken and open American students were. They were very active in raising questions, and some talks even overran because students had too many questions! This was very different from my experience in Hong Kong. I also felt that Americans were good presenters, and could put together a decent presentation without much preparation. In addition, they were all very familiar with the history of their country. When the guest speaker asked questions about the history of US, American students could instantly provide answers, which really amazed me.

Apart from cultural exchange, I also had the chance to make a lot of new friends. As there were a lot of collaborative projects during the summit, I had many opportunities to talk to the world’s best business students and top-notch businessmen. Not only did I cooperate with students from all over the world. By mingling with these passionate students and successful people, I learned how to be proactive and seize every opportunity ahead of me. I remember talking to a business executive who took the time to provide extensive answers to my questions. I followed up afterwards via LinkedIn and asked him for more industry information. The experience paved the way for me to become an outstanding business leader in a globalised world.

Hong Kong brands itself as Asia’s World City, with many opportunities in business and finance. The Beta Gamma Sigma Global Leadership Summit widened my horizon. I have strong conviction that future success depends heavily on one’s global exposure. I am grateful that I had a chance to immerse myself in the dynamics and diversity of cultures through this unforgettable leadership experience, and I hope to leverage on this experience to contribute back to HKU - and our society as a whole - as a future business leader.
During my exchange semester in the United States, I always looked for chances to try new things and explore my limits. I am glad that the Faculty gave me an invaluable chance to join the Global Leadership Summit. It was a once-in-a-lifetime experience that added color to my stay in the United States. The leadership summit was held in Orlando, a city famous for its theme parks, including Disneyworld and Universal Studios.

The conference began with a welcome talk that introduced us to the theme of the whole conference - the Strengthsfinder. We were asked to complete an online personality test before the conference started. Based on our answers, we were assigned five personality strengths. I was surprised to find that among my five strengths, four of them were within the relationship-building category, meaning that I try to win people over rather than compete with them. I found it to be quite different from how I perceive myself. I never thought I placed too much emphasis on building relationships, as I consider myself quite individualistic and I like to work on my own. Honestly, finding “woo” as my top personality trait didn’t support my aspirations as a leader, unlike most of the others at my table who were characterised by traits such as “compete” or “achieve”.

As the conference went on, I learned how important it was to clearly identify our strengths. I certainly agree with the speakers that knowing more about what we are good at allows us to work more effectively. There was a speaker who used to be like us: one of the many students sitting at the Beta Gamma Sigma conference. She actualised her dream and is now working happily in Washington DC. She told us about how she struggled with her top strength, which is “woo” and not “achieve” or “compete” - exactly like me. But when she realised Bill Clinton, one of the most popular US presidents, is also a “woo” person, she came to realise how this strength could be important in developing a leader. Indeed, much of leadership is about mitigating and easing conflicts between fellow group members. Relationship building is a critical skill that all leaders should have. I realised that no single strength is superior to the others. Whether or not we can achieve something depends on how we work with our strengths – which, of course, starts by recognising what they are.

The high point of the conference was the case competition, where we were assigned to work together in different groups. We suspected the organisers had tried to put together the best combinations of people according to our strengths, as it turned out our teammates were quite balanced – some achievers, some wooers, some competitors, some analysts, all working together. Our group worked on a promotion campaign for Under Armour, a famous sportswear brand in the US. Under Armour is quite a localised brand within the US, and I (along with a Korean teammate) struggled to understand the brand. Our local teammates explained the brand and how Americans perceive it as opposed to other sportswear brands. We eventually decided to promote Under Armour through a sports app that encourages people to work out more often and lead healthier lifestyles. We would target the younger generation, as they are the first generation that is not expected to outlive their parents due to unhealthy diets and lifestyles. My group was able to organise ideas quickly and work very efficiently. In fact, we came up with the whole presentation within two hours.

Working with fellow summit participants made me realise how different Asian and Western students are in the way we think. American students think quickly and generate lots of brilliant ideas, Asian students are more reserved in thinking outside of the box. I think this difference may attribute to the styles of education we receive. All in all, I appreciate how responsive and creative the American students are, and I hope that our education system can nurture leaders of comparable strengths too.
On February 23, 2016, Faculty of Business and Economics welcomed Professor Eric Maskin to the Wang Gungwu Lecture Hall for HKU’s Nobel Laureate Distinguished Lecture. The hall was filled with faculty, students and alumni all eager to hear Nobel Prize winning economist Professor Eric Maskin’s theories regarding the 2007-2008 financial crisis – and his proposed solution to reduce the frequency and severity of financial crises in the future.

Professor Maskin began by cautioning the crowd against generalisation when it came to economic crises, explaining that each crisis was different from the one that came before it. Actions that were taken to stop the last crisis were never guaranteed to be successful in preventing the next one, nor would that be a favorable outcome – as focusing entirely on crisis prevention would slow economic innovation. “What we can do is to improve the limits that we place on crises,” Maskin told the audience. Commenting on the 2007-2008 financial crisis, the professor noted one of the primary problems was allowing it to spread from one small part of the economic system – subprime mortgage loans – to eventually envelop the entire financial system.

In order to provide the audience with an informed understanding of economic crises, Professor Maskin felt it was necessary to comprehend three main topics:

1) What makes credit markets different from other markets?
2) Why does the credit market require substantial intervention from central banks to get back to normal when meltdowns occur?
3) What can be done to stop or limit a crisis’ effects before it begins?

Citing numerous explanations given for the most recent financial crisis - irrationality, panic, greed, lack of ethics, macroeconomic instability, mortgage-backed securities, and the “too big to fail” theory - Maskin explained why he believed these factors were not as central to the crisis as the media would have us believe. He pointed to countries like Canada, where nearly all of their banks were big yet they did not experience a single bank failure during the most recent crisis.

What makes credit markets different?

Throughout the lecture, Professor Maskin cited the potato market as a historical basis for comparison, using the simplified analogy to explain the differences between credit markets and the other markets around the world. He outlined three central points that convey why the credit markets are so unique:

1) Credit markets are essential for the rest of the modern economy to function.

Maskin explained that if the potato market ceased to exist, it may disappoint potato lovers – but there was very little likelihood it would bring down another major market like the automobile industry, for example. However due to the nature of credit and its importance in the commercial world, a crisis in the credit market means “enterprises in all markets are going to have trouble functioning... trouble making investments... trouble meeting their payrolls.”

2) If some banks fail, they might cause others to fail too.

In the potato market, bad weather in a certain area may result in a bad crop one year, which could potentially cause one or two local potato growers to go out of business. This would not hurt other potato growers located elsewhere – and in fact, might even help their business. In the credit markets however, a small shock in one part of the market can magnify and become a big problem for the rest of the market.

The potato market is also self-correcting. If one part of the market fails, the world price of potatoes would increase. This would make it more attractive to grow potatoes, and incentivize other potato growers to step up and fill the gap - thus fixing the crisis without any need for government intervention. Unlike the potato market, the credit market is not self-correcting and requires intervention from central banks to fix its failures.

Maskin explained that a failure in the potato market might cause some harm in the short term as certain citizens may not be able to afford potatoes at the newly increased price.
However, when a government intervenes to help consumers by enforcing price caps on potato sellers, it essentially accomplishes the opposite effect – discouraging the expansion of output needed to correct the crop failure. In this case, government intervention is unnecessary, and can actually make things worse.

3) If some banks fail, causing others to fail, this can result in a “credit crunch” where banks are no longer willing to lend.

Professor Maskin explained that credit markets all begin with entrepreneurs, who look to banks, hedge funds, private equity institutions and others for funding to turn their ideas into reality. Since banks do not have enough money to fund every good idea they come across, they themselves borrow money from other banks – or “take on leverage” – which allows them to increase their returns. Leverage is generally considered to be good for the economy as a whole because it encourages innovation by funding new innovations, products and services.

Leverage, however, comes with its own fair share of risks. Business success is never a certainty as some ideas will come to fruition and pay off, while others will not – causing money to be lost. In essence, funding new ideas can be likened to placing a bet, and adding leverage increases the potential reward – while also increasing the risk factor. A highly leveraged bank could potentially fail if it loses just one or two highly leveraged bets. This is what makes leverage so dangerous - if a failure occurs, it is not simply confined to the original bank. If the bank is leveraged, the other banks that lent money to it may go out of business too. “Leverage is the device that turns a small problem into a big problem,” said Professor Maskin. It creates systemic risk, which is something not found in the potato market.

Given that problems in the credit markets are not self-correcting, they have the capacity to become aggregated – which could result in a credit crunch, as was the case in 2008. This hinders development and progress, as good ideas remain unfunded when banks are unwilling to lend money to entrepreneurs. But Professor Maskin emphasized that the credit crunch in 2008 was not the result of widespread panic or bankers’ greed, instead “…it’s a problem with the credit market itself.” Maskin emphatically believes that the system itself is not set up for success. Instead of aiming to change bankers’ behavior, to prevent future crises we must first improve the mechanism, design and rules of the credit market.

Why does the credit market require substantial intervention from central banks?

Professor Maskin then introduced the concept of externalities, which are effects banks have on other banks that may not be taken into account. For example, it may be considered a negative externality when a bank (that has borrowed heavily from other banks) proceeds to make risky loans. In this case, the lending bank doesn’t consider the possible impact of its risky loans on the other banks that provided the original loans. “Markets with significant externalities often don’t work well on their own,” Maskin explained. The reason, he noted, lies in an economic concept called the free rider problem.

For example, if a laundromat is located next to a steel factory that emits black smoke into the air every day, that laundromat may decide to pay the factory to curb their emissions in order to better operate their laundry business. However if we extend this across an entire city, each laundromat in the area would end up paying less than their fair share to reduce the smoke as they would expect on other laundromats to shoulder the burden – allowing them to reap the benefits for free. At that point air quality would decline, and the government must then intervene to either limit smoke emissions, or fine the steel factory for producing excessive smoke.

Professor Maskin argued that credit market externalities generate an unnecessary amount of risk as a result of an excessive amount of leverage. Therefore, his solution to ensure properly working credit markets covers two main components: (1) intervention after the crisis has started (ex-post) and (2) intervention as a means of prevention (ex-ante) before a crisis has begun.
Ex-post intervention involves government bailouts: giving the banks more money so they can continue to lend to entrepreneurs and prevent a credit crunch. This intervention is often met with resistance from the general public, which Maskin attributes to the U.S. government not properly explaining the purpose and importance of bailouts to its citizens. The importance of the bailouts, he stressed, was primarily to protect other banks that would be hurt if the bailed-out banks failed.

However, this form of intervention does come with its own set of risks. If banks anticipate a government bailout, they might not worry about whether their loans are too risky or how highly leveraged they might be at any given time – introducing moral hazard into the equation. Maskin describes moral hazard as such: “If I expect that I am going to get a bailout I am going to behave in a riskier fashion.” When the option of a bailout is on the table, banks are essentially incentivized to take on highly risky loans, and ex-post crisis intervention may actually make it more likely for another crisis to occur.

What can be done to stop or limit a crisis before it begins?

According to Professor Maskin, ex-ante intervention serves to counterbalance the moral hazard issue by introducing “regulation that reduces the amount of leverage that the banks are able to take on at any given time.” He suggests that higher standards on loan quality - or banning sub-prime mortgage loans – as measures that could also be imposed. Minimum standards and limits on leverage and capital requirements would lessen the chain reaction that takes place when credit markets experience a meltdown. Expanding on this thought, Maskin again pointed to Canada where many big banks were more heavily leveraged than those in the U.S., although the Canadian Government regulates leverage much more strictly. As a result, Canada avoided any bank failures during the most recent crisis.

Concluding his lecture, Professor Maskin reiterated his desire to provide an understanding of the financial crisis without “appealing to irrationality or panic or greed or unethical behavior...or bankers bonuses or this ‘too big to fail’ mantra.” Instead, his belief is that financial crises are brought about by externalities. If a crisis does occur, it must be fixed through bailouts because this is the only course of action that will prevent further bank failures. The most critical piece, he emphasized, is having proper regulation in place to correct the negative externalities and moral hazard problem created by government bailouts.

After the lecture, Professor Maskin kicked off a lively Q&A session by addressing a question all attendees were no doubt eager to ask: What does a well-designed bailout package look like? “It’s more of an art than a science,” said Maskin, noting that there is no way to determine an ideal leverage ratio that would ultimately make things safe in the credit market. If leverage is limited too much, it hinders the development of good ideas and innovation that can benefit our society. While there is no perfect or permanent solution, and laws will have to be written and rewritten as banks adapt to these laws, the most important thing is to “strike a balance between stability and creativity.” Although he acknowledged it would be difficult to eliminate financial crises entirely, Maskin explained that we can definitely reduce the probably of crises occurring – and greatly limit the extent of their severity.
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Being our ClassLinks, you will:
1. engage the Class of 2017 to support and advance the Faculty of Business and Economics and its future generations of students,
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3. work closely with the Faculty to develop and nurture alumni relations for the Class of 2017 and alumni from other classes.
spread of information technology, he felt that technology enhancements on their own “do not represent the whole story.” The professor cited numerous examples of firms that had invested in new technologies, but had yet to see significant rises in productivity – and in non-technologically advanced companies that exhibited higher levels of productivity in the absence of technological investment. Nations that score highly on productivity - like the United States, Germany and China - may spend large proportions of their national income on Business R&D, however when technology variables such as patents or new machinery are controlled in research situations, success becomes largely dependent on management practices and company culture. The key differentiator lies in how firms and employees manage the new technologies.

Professor Van Reenen’s studies adopted the view of Management as a Technology (MAT), which maintains that certain types of management practices will increase productivity in any firm, regardless of where they are located in the world. According to the professor, management should be considered as a form of capital that helps increase the overall output of firms. Although some entrepreneurs may dismiss the impact of management prowess as “hot air”, the professor’s research shows a distinct correlation between highly productive firms and those that feature economies of competition, flexible regulations and strong systems for reallocation of outputs and inputs – clearly demonstrating that certain types of management practices are more successful than others.

Although management practices across countries and firms can vary significantly, Professor Van Reenen stressed the importance of a firm’s self-assessment criteria and information policies – stating that they are significant contributing factors for improving management practices. He said that many firms were overly optimistic when it came to their outlook on performance. With no causal relationship between personal perception and management performance, the professor encouraged firms to look outwards for better management ideas - by assessing public policy, ownership, competition and education.
One surprising discovery from the professor’s research was that multinational organisations that transplanted management between overseas offices did not experience any dips in productivity. This finding suggests that successful managerial techniques can be introduced across countries, regardless of cultural and technological restrictions. He also noted striking patterns between firms that were open to foreign direct investment and higher levels of productivity. International organisations now have the potential to transfer better management practices into their working environments around the world.

Another factor that deeply affects management practices is corporate governance. Professor Van Reenan explained, “What really matters isn’t ownership, it’s about how well governed you are.” Private equity firms, publicly owned firms and family owned firms with external CEO’s scored highly on management, while those that didn’t may have executed promotions based on family or political interests instead of professional competency.

Interestingly, Professor Van Reenen noted that firms facing greater competition also had better-developed management skills. Through natural experiments and policy experiments, competition has proven itself to be one of the highest driving factors in improving management skill.

Professor Van Reenan emphasised his staunch belief that education impacted the success of managerial policies. Unsurprisingly, research suggests a strong correlation between firms with better-educated management teams and higher levels of productivity. The professor explained that trying to increase employee engagement and productivity was easier when firms had an able, talented educated workforce that responded to incentives. He also encouraged firms to take a look at appraisals and promotions within different tiers of management to stimulate higher levels of productivity.

The insightful lecture drew to a close with a discussion on the implications for businesses. Professor Van Reenan explained that his research provided positive reinforcement for businesses, as many firms were still thriving despite the tough political and socio-economical climate.

Instead of simply following popular marketing practices, the professor urged companies to learn from key innovators to discover the factors that contributed to improvement of managerial practices – which would boost productivity, profits and ultimately the wealth of nations. He mentioned policymakers who provided SMEs with management benchmarking and consultancy programmes would see a huge boost in productivity, profitability and income levels. The professor also shared that firms which were open to foreign investment, technological partnerships and tougher competition had increased potential to rapidly improve their management teams and take on greater business expansion. He added that properly incentivising leadership teams was a key factor in improving management performance and productivity.

Professor Van Reenan concluded his presentation by sharing some of his favorite humourous quotes collected from management research conducted around the world – from an Italian company owned by the mafia to an Indian hospital that exists “only for loss-making.”

The presentation was followed by a lively Q&A disscussion moderated by Professor Zhigang Tao, Professor of Economics and Strategy, and Director of the Institute for China and Global Development at HKU.

Professor Van Reenan ended the event with a final piece of advice for business leaders and students: to encourage the promotion of professional management experts. He explained that these would be the people who were open to new ideas of management – who would not only boost profitability and productivity, but also help ensure that firms thrive in an increasingly volatile economy.
On March 23, 2016, Faculty of Business and Economics collaborated with the Financial Services Development Council (FSDC) to host a public forum as part of the Practitioner Lecturers Series: “Life as a Banker” featuring Mr. Peter Wong Tung Shun, JP, Deputy Chairman and Chief Executive Asia-Pacific of The Hong Kong and Shanghai Banking Corporation Limited (HSBC). The Convocation Room was packed with audience, including business leaders, faculty, students, alumni and the general public.

Mr. Wong shared his experiences and views on the skills needed to excel in the banking profession, and the challenges young practitioners may face in banking’s fast-paced and highly regulated market environment. He said that the sector is in need of talented young professionals who have the energy and skills to thrive in the banking industry.

Following the lecture, a Q&A session was moderated by two Student Ambassadors: Miss Christy Yeung, a Year-2 Bachelor of Economics and Finance student, and Miss Ann Ko, a final-year Bachelor of Business Administration (Accounting and Finance) student. The audience seized the rare opportunity to ask numerous questions of the highly respected speaker.
After successfully collaborating on a series of career training workshops during the first semester, FBE and J. P. Morgan jointly hosted Interview Workshops on April 15, 2016. From a large pool of enthusiastic applicants, 82 undergraduates were selected to learn how to impress employers with fundamental and essential job interview skills from 11 J.P. Morgan executives.

Students found the workshop very helpful in sharpening their interview skills, and appreciated the specific insights offered to those wishing to pursue a career in investment banking.

**Miss YAU Lap Yan, BEcon&Fin, Year 2**
The J.P. Morgan Interview Skills Workshop was a valuable opportunity for me to learn how to enhance my interview performance. I attended many interviews before, however job opportunities eluded me. I joined the workshop to find out why. The J.P. Morgan executives were patient in pointing out my weaknesses after I answered several model interview questions, and then gave me concrete suggestions on how to improve my performance. As I had difficulty pinpointing my weaknesses in interviews, their comments shed light on areas for improvement. I’d like to thank the Faculty and J.P. Morgan for holding this workshop.

**Mr. HUI Chun Him, BBA(IBGM), Year 2**
I learned a lot of interview techniques through the J.P. Morgan Interview Skills Training Workshop. The executives from J.P. Morgan held several mock interviews with us, asking us many of the questions used in real interviews. The feedback they gave us was very useful, and let me know how much room I had for improvement. They also shared a lot of insights on working in the investment banking industry. I feel that I understand the industry a lot more, and hope to have this opportunity again in future.
China’s Wealth and Asset Management Industry
by Mr. Kenny Lam

The Faculty invited Mr. Kenny Lam, Group President of Noah Holdings Limited, to give a talk on China’s Wealth and Asset Management Industry on April 1, 2016.

Although it is one of the most dynamic and fastest growing industries in Asia, China’s wealth and asset management sector is also prone to volatility. Mr. Lam shared his insights on the market, experience gained from working in the industry as well as his thoughts on how students should prepare themselves if they were interested in joining the industry.

Sino-American Interaction in the Asia Pacific Region and its Future Development
by Mr. Zongze Ruan

Faculty of Business and Economics collaborated with the Hong Kong Public Diplomacy Association to host a Knowledge Exchange Lecture titled “Sino-American Interaction in the Asia Pacific Region and its Future Development.” Mr. Zongze Ruan, Executive Vice President and senior fellow of China Institute of International Studies, was invited to speak at the event, which was held on March 23, 2016.

Mr. Ruan is an expert on International Relations Studies, having previously served as the Minister Counselor at the Chinese Embassy in the United Kingdom and the United States. His areas of research include Chinese foreign policy, international strategies and relations between major global powers.

At the lecture, Mr. Ruan shared his view on the importance and complexity of Sino-American relations – explaining that despite intense economic competition between China and the United States, there was increasing and mutually beneficial cooperation between the two nations. Mr. Ruan concluded that although challenges were still foreseeable, close cooperation could lead Sino-American relations towards a win-win situation.

Members of the audience enthusiastically participated in the Q&A session facilitated by Professor Geng Xiao, Professor of Practice in Finance and Public Policy, rounding out Mr. Ruan’s lecture with a lively and insightful discussion.
It’s important to understand customer needs

Banks tend to promote similar services and this can limit their space for product differentiation. However, as PwC suggests, customers can be another source of differentiation. In measuring up customers, the normal route is to develop a solid understanding of customer demographics, behaviours, and preferences. In the case of banks, consumer psychology plays a particularly important role because the global economic environment continues to test the confidence of their customers. Indeed, a recent study by McKinsey’s identifies two important points: (1) banks continue to be under high pressure to raise the level of perceived trust with their customers; and (2) to regain this trust, banks that are able to capture the hearts and minds of their customers will be most successful. However, as McKinsey’s and also PwC point out, banks have tended to struggle in their approaches to develop close relationships with their retail customers. As a result, the ability of banks to understand customer needs and integrate them into their product development has suffered.

Put the customer at the heart of the bank’s activities

Putting the customer at the heart of a bank’s activities is a customer-centric strategy. Reports by PwC, McKinsey’s, and KPMG echo that ‘it is a call to action’ for the banks. In banking, financial services customers can become involved in the co-creation of the service. As KPMG points out, understanding how services quality can be raised through enhancing customer participation is fundamental to the success of financial services providers. Indeed, research identifies that customer participation can be applied to raise service quality, and also raise the level of control and increase productivity in the provision of the service.
However, as Professor Yim explains, “although much is known about the tangible benefits of customer participation in the provision of services, little is known about whether and how customer participation can create psychological benefits in the form of an enjoyable experience for both the customer and the service employee, and the outcomes of such positive experience”. Issues relating to ‘self-value’, and also how the customer and service employee feel about each other’s ability to perform tasks, and how such factors may influence their behaviours could also be important here.

To address these issues, Professor Yim, Professor Lam, and their colleague Associate Professor Kimmy Chan from The Hong Kong Polytechnic University developed a model to study the enjoyment derived from customer participation in services, subject to the confidence and capability the customer and service employee perceive of themselves and also of each other. As the first marketing study of this kind, they chose to test the model within the context of financial services. As Professor Lam explained: “these services offer an opportunity to study the psychological factors at play in the interactions between customers and service employees; they require teamwork by both clients and financial advisers and the perceptions of either party is likely to influence the effectiveness of their co-production of the service”. Information for the study was collected from a multinational bank, and included data from 223 matched pairs of services employees and their customers, across the areas of asset/funds management, financial planning, loans, and insurance. Findings from the study are discussed below.

**How to generate enjoyment in the customer participation experience**

Within the financial services interactions studied, a number of conditions of positive emotions raised the enjoyment experienced by both customers and financial service employees. The enjoyment experienced within these interactions raised the level of satisfaction experienced by both the customer and the financial services employee. It also tended to raise the perceived value that customer participation adds to the co-creation of the financial services. Customers and service employees perceived more value in the co-creation of the services as they tended to feel more comfortable, and as a result more willing to put more effort into overcoming difficulties or obstacles encountered in the co-creation of the service. Conditions where positive emotions were found to raise the enjoyment experienced by the customer and the service employee, are identified below:

**Condition 1** Customers and service employees derived the most enjoyment through customer participation when they both perceived that each other’s levels of confidence and capability are high.

**Condition 2** When the customer and financial service employee perceived that they themselves possessed a high level of capability and confidence, this tended to raise the level of enjoyment experienced by both in the co-creation of the service.

**Condition 3** When customers perceived that the financial service employee possessed the capability and in particular the confidence to respond to their participation, they tended to enjoy the service process more. This condition tended to raise the customer’s perceptions of their own level of confidence and also their capability to participate in the co-creation of the service.

**Condition 4** Experiencing enjoyment in the co-creation of the financial services was also found to exist when both the customer and service employee hold the perception that the customer’s capability and confidence is low, but they also both hold the perception that the service employee’s capability and confidence is high. In financial services, the service employee is expected to deliver professional guidance and advice, and complementary perceptions in this case tended to validate the perceptions and expectations of both parties in a positive way.

The positive perceptions identified in the above conditions played a significant role in both the customer and financial services employee deriving enjoyment from the customer’s participation in the co-creation of the service. As part of managing the process of matching customers with service employees, the results of the research therefore highlight the importance of identifying perceptions relating to the competence and confidence levels that the customer and financial service employee hold for themselves, and also hold for each other. Indeed, placing a focus on these perceptions should assist to enhance the enjoyment experienced in the co-creation of the services. This would appear to be important for a bank and also other financial service providers. It could hold the key in raising a bank’s ability to capture the hearts and minds of their customers. As McKinsey’s suggest, these banks will be the most successful in regaining the trust of their customers; customers that will raise their support and commitment to the bank’s brand.
The HKU MBA Programme High Table Dinner 2015 was successfully held on November 21, 2015 at Loke Yew Hall. Organised by a group of current students and alumni, this was the first High Table Dinner in the history of the MBA Programme, and the event attracted over 250 faculty, staff, alumni and current students.
Glitz and Glamor at IMBA New Year’s Party

Around 200 IMBA 2015 students threw a New Year’s Party on December 20, 2015 in Shanghai, welcoming dazzlingly dressed guests with an iconic red carpet and brilliant white spotlights. Guests enjoyed a night filled with excitement and performances by talented students, set against the backdrop of the Huangpu River.

MFin High Table Dinner

The Annual High Table Dinner jointly organised by the HKU Economics and Finance Postgraduates Association (HKUEFPA) and the School of Economics and Finance was held on April 6 at the Happy Valley Racecourse. The annual event is an important platform to foster relationships between the School and its postgraduates, as well as a networking opportunity for postgraduates and faculty members. The High Table Dinner 2016 saw the participation of more than 170 economics and finance postgraduate students and alumni, as well as faculty members and guests.

The Honorary President of HKUEFPA, Dr. Kate Kwan (MFin, 2003), who is also a veteran banker, gave a keynote speech on “Woman in Finance – an Experience Sharing”. She spoke to over 160 guests about tips on how surviving in the investment banking industry, and the path she followed up the corporate ladder over the past. After the speech, she performed a few songs for professors, students, alumni, and friends. Dr. Kwan is a frequent award winner in numerous singing contests.
The Meng Foundation, a charity fund established by HKU’s IMBA Alumni, organized its annual charity concert at Fudan University on January 23, 2016 – where it also celebrated the foundation’s 10th Anniversary. IMBA students and alumni, teachers and staff were invited to commemorate the growth of the Meng Foundation, along with an all-volunteer cast of performers.
42 FBE students, together with 20 students from Sun Yat-sen University and two students from other local universities, participated in the HKU-Sun Hung Kai China Economic Development Study Tour from January 4 – 10, 2016.

This is the third year the Faculty has collaborated with Sun Hung Kai Properties-Kwock’s Foundation to co-organise this Study Tour, which aims to enhance students’ understanding of Mainland China’s social, political and economic development. The Tour also allows students to gain all-rounded perspectives of China’s business culture and practices through a series of workshops and site visits.

The Study Tour comprised lectures, site visits and tours in Guangzhou. Special guests included Dr. Y.F. Luk, who attended the Opening Ceremony on January 4, 2016 to kick off the programme, and Dr. Sammy Fung, who attended the Closing Ceremony on January 10, 2016.

Mr. CHOW Bo Ngai Janssen, BBA(IS), Year 2
“One week is not a long time to absorb a comprehensive amount of knowledge about China’s deep history and culture. However, I learned a lot more during the week than I ever thought I could! Although the Study Tour aimed to develop knowledge of China’s economic development, I learned much more than the tour’s title suggested.”

Miss WONG Shuk Yi, BBA(Acc&Fin), Year 4
“I have been learning about China’s economic and social development for the past four years of university life. Although the knowledge I gained was diverse, it seemed kind of shallow. One day, a friend who previously participated in the program highly recommended this one-week intensive Study Tour. I told myself this was an opportunity to really immerse myself in my motherland and uncover some of its mysteries. I was delighted to participate in the program, and to experience first-hand interactions with our neighbors in Guangzhou and Hunan. It was interesting to try to understand China from the perspective of the Zhujiang Delta region.”

Miss IP Yuen Shan, BEcon, Year 1
“I was fortunate to learn from renowned, passionate lecturers during the Study Tour. For example, the four methods used to assess and promote Chinese government officials greatly broadened my horizons. It was interesting to see how such a huge country selects appropriate candidates to manage the nation’s future. The talks provided a macro vision of the interplay between central government policies, mega projects and citizens’ mentalities. Also, the site visits were an excellent complement to the tour that enhanced my cultural understanding.”
The EMBA-Global Asia programme jointly conducted by The HKU Business School, Columbia Business School and London Business School marks the 5th year since the first class graduated in 2011, and the programme hosted an Opening Dinner on May 17 for new students of the Class of 2018, alumni and professors from the three schools, kicking off a week of anniversary celebrations.

On May 20, a Capstone Session was held on campus, wrapping up 20 months of learning experiences for the Class of 2016. The session was followed by a Networking Drink Reception for programme alumni and new members of the Class 2018.

On Saturday, May 21, a Recognition Ceremony for the Class of 2016 was held at HKU’s Rayson Huang Theatre, officiated by representatives of the three schools. In the afternoon, the EMBA-Global Asia Distinguished Alumni Panel Discussion, titled “China’s New Growth Model and Financial Market Development”, was held at HKU’s Cyberport Campus. HKU distinguished alumnus Mr. Paul Chow Man Yiu, the then Chairman of Hong Kong Cyberport Management Company Limited; CBS alumnus Dr. Song Li and LBS Alumnus Mr. Steve Gross served as panellists for the intriguing discussion.

The highlight of the week was the EMBA-Global Asia 5th Anniversary Celebration Gala Dinner, held on Saturday evening at the chic W Hotel. Over 180 alumni, current students and faculty members from the three institutions attended the Dinner, and over 80% of programme alumni returned to their alma mater from overseas.

Wrapping up the week, a Sunday Family Brunch was held for the graduates to say farewell and wish new entrants the best of luck as they embarked on their EMBA journeys.
Professor Gary Biddle from HKU led a session about changes in China’s economy and future development trends at the Capstone Session.

Professor Sheena Iyengar from CBS held an interactive session exploring leadership, personality and character at the Capstone Session.

Professor Bennett Yim, Associate Dean (Postgraduates), Faculty of Business and Economics, HKU, delivering the Introductory Remarks.

HKU Alumnus Mr. Paul Chow, the then Chairman of Hong Kong Cyberport Management Company Limited.

CBS Alumnus Dr. Song Li, Founder and Chairman of Zhenai.com, Former Executive Director, Equities Division, Morgan Stanley Asia.

LBS Alumnus Mr. Steve Gross, Senior Managing Director, Macquarie Infrastructure and Real Assets, Macquarie Group Limited.

(From Left) Dr. Song Li, Mr. Paul Chow, Mr. Steve Gross and moderator of the EMBA-Global Asia Distinguished Alumni Panel Discussion, Professor Zhigang Tao, Professor of Economics and Strategy, Faculty of Business and Economics, HKU.
Mr. Kenneth Hitchner, President of Goldman Sachs in Asia Pacific Ex-Japan, gave a keynote speech at the EMBA-Global Asia Recognition Ceremony 2016, sharing his day-to-day leadership tips with graduates.
Cake-cutting Ceremony at the Gala Dinner
(From left) Ms. Julia Marsh, Executive Director, Leadership Programmes (Executive MBA, EMBA-Global & Sloan), LBS; Professor David Myatt, Deputy Dean (Programmes), LBS; Ms. Kelley Martin Blanco, Assistant Dean, EMBA Programs and Dean of Students, CBS; Professor Sheena Iyengar, S.T. Lee Professor of Business, CBS; Professor Ian Holliday, Vice-President and Pro-Vice-Chancellor (Teaching and Learning), HKU; Professor Eric Chang, Dean of Business and Economics, HKU; and Professor Bennett Yim, Associate Dean (Postgraduates), Faculty of Business and Economics, HKU.

This year, 51 students with an average age of 36 were admitted. This year’s programme brings together candidates from 19 different nationalities working in 17 different locations around the world, and representing 16 job functions in over 22 industry sectors.
CSR Challenge 2015
Organisers: Hong Kong Federation of Business Students
Date: December 2015 to January 2016
Award: Championship:
Mr. Cheung Chi Kit Vincent, BBA(Acc&Fin), Year 2
Mr. Choi Chun Lai Michael, BBA(Law), Year 2
Miss Tsui Kit Mei Sammy, BBA(Law), Year 2
Miss Yee Wing Leung Kian, BBA, Year 2

ACCA Business Competition 2015
Organisers: Association of Chartered Certified Accountants
Date: October to November 2015
Award: Merit Award – HKU Team 1
Miss Lin Chenyueya, BEcon&Fin, 2
Mr. Guo Xiaokai, BBA(Acc&Fin), Year 2
Mr. Ni Yang, BEcon&Fin, Year 2
Miss Qiu Yufei, BEcon&Fin, Year 2
Merit Award – HKU Team 2
Miss Yau Zenia Wing Sze, BBA(Acc&Fin), Year 3
Miss Ng Ka Yee, BBA(Acc&Fin), Year 3
*This team consists of two other students from the Faculty of Science
Judges Commendation Award
Miss Duan Peihong, BEcon&Fin 2
Miss Su Shixian, BEcon&Fin, Year2
Miss Pan Yi, BEcon&Fin, Year 2
Mr. Li Xueyang, BBA(Acc&Fin), Year 2
Judges Commendation Award
Mr. Cheung Chi Kit, BBA(Acc&Fin), Year 2
Miss Yeung Chee Wing, BBA(Acc&Fin), Year 2
Miss Yee Wing Leung Kian, BBA, Year 2
Miss Hsu Lok Yu, BBA(Acc&Fin), Year 2

Cyberport University Partnership Programme
Organisers: Cyberport University Partnership Programme
Date: September to November 2015
Award: Miss Chan Yu Ting Gale, BBA(IBGM), Year 2
Mr. Cheung Chi Kit, BBA(Acc&Fin), Year 2
Miss Ho Joyce Loksee, BBA(IBGM), Year 2
Mr. Tsang Cheuk Yiu, BBA(Acc&Fin), Year 3
Mr. Yau Kit Shing, BBA(IS), Year 2

Tax Debate Competition 2016
Organisers: The Taxation Institute of Hong Kong
Date: May 28-29, 2016
Award: Second Runner-up
Miss CHAN Hiu Yu, BBA(Acc&Fin), Year 2
Miss TSANG Ka Ki, BBA(Acc&Fin), Year 2
Miss MOK Oi Ying, BBA(Acc&Fin), Year 2
Mr. LAM Hin Long, BBA(Acc&Fin), Year 2
It’s Not Fair… Or Is It? The Role of Justice and Leadership in Explaining Work Stressor–Job Performance Relationships

By Dr. ZHANG Yiwen, Professor Jeffery Alan LEPINE, Dr. Brooke Rebecca BUCKMAN and Dr. WEI Feng

Published in Academy of Management Journal, 57, 3 (2014), 675-697

Dr. Yiwen Zhang’s research examines how leaders may help employees understand the nature of different types of work demands in organizations, and in turn, influence their job performance. “On behalf of my team of coauthors, I sincerely appreciate the generous recognition and support from my colleagues at HKU.,” he said.
On April 22, 2016, 20 alumni gathered for a workshop on cheese and wine at The Dutch Cheese and More in Sheung Wan. Fanny, the shop’s cheese specialist, introduced alumni to different kinds of Dutch cheeses, and shared her knowledge about cheese and wine pairing. Participants enjoyed a fun and relaxing Friday evening with free flowing wine and delectable cheese, and enjoyed discounts on further purchases.
Queenie LEE, BEcon&Fin, Year 2

I joined the Global Community Development Program organised by AIESEC, I worked as a volunteer, as well as a marketing intern in a NGO that provides accommodations and care for children with cancer in Brazil for six weeks.

I have to honestly tell you that I used to be a timid girl who dared not to travel alone into a place full of strangers and foreigners. Thus, going on an exchange alone was something terrifying to me before. But then after my exchange with AIESEC, now I think differently. Indeed, it could be challenging and fun!

As an exchange participant, I also worked as a volunteer in a NGO that provides accommodations and care for children with cancer. Working in marketing field to raise funding for the organization, I was equipped with marketing skills and knowledge about cancer. It was my first time to handle matters about cancer and death. The working experience might sometimes make me sad, but on the same time, it was an once-in-a-lifetime experience that allowed me delve into the issue of mortality in a foreign place far from Hong Kong.

I am really grateful that the AIESECers in Brazil are friendly and caring. Yes there are cultural differences but through understanding and communications, you will find out that it is interesting to adopt their culture. For example, trying to dance Samba on the street with Brazilians and other exchange participants from all around the world, leaning how to mix a Brazilian cocktail called caipirinha, or speaking Portuguese that I had never learnt before etc. Most importantly, you will find out that the friendship you gained in this exchange is so precious that you will never regretted.

Apart from all the friendships and experiences I gained from the exchange, I believe through overcoming challenges and cultural shock, will make people grow. If you are hesitating and uncertain about whether you should go on an exchange, it’s okay. I did the same too. Everyone hesitates when they are facing uncertainties. However, going on an exchange is definitely an eye-widening experience that you don’t want to miss! Don’t be afraid of the unknown and try to make the first step. Then you will understand why I like my experience so much as an exchange participant.

Lastly, I would like to give you my best wishes to try on an exchange. Hope my words give you some courage to uptake challenges, and you are welcome to find me if you have any problems or doubts!