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Faculty Research Publications



China Depth, Global Breadth

Published Articles

Atuahene-Gima, Kwaku and Slotegraaf, R. J. 2011 January. Product Development Team Stability and New Product Advantage: The Role of Decision-Making Processes. *The Journal of Marketing*. (FT45)

Abstract: Innovation scholars have long touted the value of cross-functional teams, and though firms have embraced a cross-functional design in their new product development (NPD) teams, these teams continue to face challenges. Stability in an NPD team may offer important advantages for decision making; however, its effectiveness as a structural coordination mechanism remains largely unexplored. Therefore, to offer insight into the value of NPD team stability, the authors develop a process-based model that examines the extent to which stability influences certain decision-making processes, which in turn influence new product advantage. They examine these relationships with a sample of cross-functional NPD project teams from 208 high-technology firms. The results reveal that the degree of stability in an NPD project team has a curvilinear relationship to team-level debate and decision-making comprehensiveness. In turn, whereas debate is positively related to decision comprehensiveness, decision comprehensiveness is positively related to new product advantage only at high levels. These curvilinear patterns shed light on anecdotal evidence that currently attributes success to both stable and unstable project teams

Paper:

<http://www.journals.marketingpower.com/doi/abs/10.1509/jmkg.75.1.96>

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trated corporate control structures. Our results show that such firms are more likely to establish political connections in regions in which the local economy is less market-oriented or in which the government has more discretion in allocating economic resources. This is consistent with the notion that the presence of incentives for government officials to engage in rent seeking motivates private firms to look for alternative safeguards through political connections. We also find that the controlling owners of politically connected firms tend to concentrate their shareholdings and dominate the board of directors by occupying the position of either chairman or CEO, which supports the conjecture that a concentrated control structure facilitates rent seeking through political connections and allows the controlling owner to retain all of the benefits arising from connections with politicians.

Paper:

<http://www.sciencedirect.com/science/article/pii/S0929119910000799>

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Chen, Junsong and Waldemar Pfoertsch. Measuring the Value of Ingredient Brand Equity at Multiple Stages in the Supply Chain: A component Supplier's Perspective. *Academy of Marketing Studies Journal*.

Abstract: The goal of this article is to conceptualize the Ingredient Branding strategy and propose tools for measuring value derived from brand equity at the component supplier's perspective. We demonstrate how brand equity occurs and how it can be measured at three marketing stages: B2B, B2C and B2B2C. This paper characterizes different stages in the Ingredient Branding strategy. Furthermore, the paper provides a different measurement method for each stage, and highlights in the end, an overall view of all participants in the Ingredient Branding value chain. We show first that measuring brand equity at the end user stage alone is not as useful as measuring brand equity at multiple stages of the value chain. The complexity associated with an Ingredient Branding strategy makes it a multi-stage branding and marketing effort. Therefore, various data and measurement tools are needed to meet

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Chen, Charles J.P., Zengquan Li, Xijia Su, Zheng Sun. 2011 April. Rent-seeking incentives, corporate political connections, and the control structure of private firms: Chinese evidence. *Journal of Corporate Finance*. (A*)

Abstract: We examine how the rent-seeking incentives of local government motivate private firms¹ listed in China to establish political connections, and whether such connections lead to more concen-

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the needs of marketing managers and scholars focused on brand strategies for differing stages of the value chain. We demonstrate that existing brand measurement methods can be modified to analyze multi-stage, interrelated exchanges. The paper extends existing brand measurements to capture the value of an Ingredient Brand both qualitatively and quantitatively, at multiple stages of the value chain.

Paper:

<http://www.efos.hr/repec/osi/journal/PDF/InterdisciplinaryManagementResearchIV/IMR4a34.pdf>

Contact: cjunsong@ceibs.edu

Chen, Junsong. 2011 January. Marketing the "Expectation".(in Chinese)

CEIBS Business Review. (中欧商业评论)

Paper: <http://www.eceibs.com/commentary/show/index/id/1336>

Contact: cjunsong@ceibs.edu

Chen, Junsong. 2011 June. Shaping Customers' Unintentional Behavior.(in Chinese) 21st Century Business Review. (21世纪商业评论)

Paper:

http://www.21cbr.com/html/magazine/2011/2011682/guan_nian/2011/0621/8322.html

Contact: cjunsong@ceibs.edu

Chen, Junsong, Guoqun Fu and Jintao Wu. 2011 March. When could Persuasive Information Influence Consumer's Choice? (in Chinese) Chinese Journal of Management. (管理学报)

Paper: <http://www.cqvip.com/OK/87936X/201103/36881190.html>

Contact: cjunsong@ceibs.edu

Chen, Junsong. 2011 September. Women Consumers in the China Cosmetic Surgery Marketing. Journal of the International Academy for Case Studies.

Paper:

<http://www.thefreelibrary.com/Women+consumers+in+the+China+cosmetic+surgery+market.-a0267976166>

Contact: cjunsong@ceibs.edu

Chen, Junsong. 2011 April. Why did Bestbuy fail in China? (in Chinese) Social Outlook.(社会观察)

Paper: <http://www.cnki.com.cn/Article/CJFDTOTAL-SHGC201104030.htm>

Contact: cjunsong@ceibs.edu

Chen, Shimin, Zheng Sun, Song Tang, Donghui Wu. 2011 April. Govern-

ment intervention and investment efficiency: Evidence from China. Journal of Corporate Finance. (A*)

Abstract: The extant corporate investment literature has documented that information asymmetry and agency conflicts between managers and outside investors prevent firms from making optimal investment decisions. In this study, we investigate whether government intervention, as another form of friction, distorts firms' investment behavior and leads to investment inefficiency. Using Chinese data, we test this by measuring government intervention at two different levels. First, we compare investment efficiency between SOEs and non-SOEs. We find that the sensitivity of investment expenditure to investment opportunities is significantly weaker for SOEs. Second, we measure government intervention by whether a firm is politically connected through the employment of top executives with a government background. We find that political connections significantly reduce investment efficiency in SOEs. However, we do not find such evidence in non-SOEs. Taken together, our findings suggest that government intervention in SOEs through majority state ownership or the appointment of connected managers distorts investment behavior and harms investment efficiency.

Paper:

<http://www.sciencedirect.com/science/article/pii/S0929119910000593>

Contact: cshimin@ceibs.edu

Ding, Yuan, Jeffrey Cohen, Cedric Lesage and Herve Stolowy. 2011. Corporate Fraud and Managers' Behavior: Evidence from the Press. Journal of Business Ethics. (FT45)

Abstract: Based on evidence from press articles covering 39 corporate fraud cases that went public during the period 1992-2005, the objective of this paper is to examine the role of managers' behavior in the commitment of the fraud. This study integrates the fraud triangle (FT) and the theory of planned behavior (TPB) to gain a better understanding of fraud cases. The results of the analysis suggest that personality traits appear to be a major fraud risk factor. The analysis was further validated through a quantitative analysis of key words which confirmed that key words associated with the attitudes/rationalizations component of the integrated theory were predominately found in fraud firms as opposed to a sample of control firms. The results of the study suggest that auditors should evaluate the ethics of management through the components of the theory of planned behavior: the assessment of attitude, subjective norms, perceived behavioral control and moral obligation. Therefore, it is potentially important that the professional standards that are related to fraud detection strengthen the emphasis on managers' behavior that may be associated with unethical behavior.

Paper:

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1160076#670059

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Doucet, Lorna., Thatcher, S., & Thatcher, M. Forthcoming. The effects of positive affect and personal information search on outcomes in call centers: An empirical study. *Decision Support Systems.* (A*)

Abstract: Despite the increasing availability of computer-based information sources within organizations, employees continue to rely on other people as important sources of information. However, relatively little is known about the relations among positive affect, personal information search, and related outcomes – especially in organizations. Using data from 276 service representatives in one organization we find that positive affect is positively related to the likelihood of searching for information through personal sources. Moreover, we find that the relations between the likelihood of searching for information via personal sources and work outcomes, such as productivity and job satisfaction, are moderated by positive affect. Specifically, we find that positive affect negatively moderates the relations between personal information search and productivity, but positively moderates the relations between personal information search and job satisfaction. As we will discuss, these findings not only contribute to the IT and organizational behavior literatures but also have significant implications for practitioners.

Contact: doucet@ceibs.edu

Han, Jian., Xiao, L., Han, J., & Mao. Forthcoming. A longitudinal study of new recruit adjustment to military life in the Chinese army: With MMPI-2 as a predictor. *Journal of Career Assessment.*

Contact: jianhan@ceibs.edu

Kim, Tae Yeol, Shung J. Shin, Jeong-Yeon Lee and Lin Bian. Forthcoming, 2012. Cognitive Team Diversity and Individual Team Member Creativity: A Cross Level Interaction. *Academy of Management* (FT45)

Abstract: We theorized and tested the conditions under which cognitive team diversity is positively related to individual team member creativity. The Hierarchical Linear Modeling results using 316 employees of 68 teams from Chinese companies indicated that a team member's creative self-efficacy moderated the relationship between cognitive team diversity and individual creativity, such that only when creative self-efficacy was high, cognitive team diversity was positively associated with individual creativity; and that transformational leadership moderated the relationship, such that cognitive team diversity was positively related to individual creativity only when transformational leadership was high.

Paper:

http://www.aom.pace.edu/InPress/main.asp?action=preview&art_id=969&p_id=1&p_short=AMJ

Contact: tykim@ceibs.edu

Kim, Tae Yeol, J. Michael Crant, & Wang, J. 2011. Dispositional Antecedents of Demonstration and Usefulness of Voice Behavior, *Journal of Business and Psychology.*

Abstract:

Purpose : To examine the relationship between Five-Factor Model (FFM) and non-FFM personality traits that are theoretically relevant to voice behavior and the demonstration and usefulness of voice behavior.

Design/Methodology/Approach : A survey was conducted measuring personality with 244 MBA and undergraduate students. Their instructors kept track of all incidents of student voice behavior, and evaluated the usefulness of the suggestions.

Findings : Extraversion, conscientiousness, and proactive personality were associated with voice presence. Conscientiousness and proactive personality also were associated with ratings of the usefulness of the suggestions contained in the voice communications. When all FFM and non-FFM traits studied were simultaneously entered into a single regression equation, only proactive personality significantly predicted the usefulness of the voice behaviors.

Implications : The results indicate that proactive personality was more predictive than the FFM traits of voice behavior directed toward one's supervisor and the usefulness of the voice. Future research should validate these findings in a more traditional organizational setting.

Originality/Value : This work is one of the few studies that have employed a field setting to study the presence and usefulness of voice behaviors. Another gap filled by the present research is comparing the predictive validity of FFM and non-FFM personality traits on voice presence, and examining the relationship between the personality of the voice contributors and the target's evaluation of the voice usefulness in a field setting.

Paper: <http://www.springerlink.com/content/2077277321714j24/>

Contact: tykim@ceibs.edu

Kim, Tae Yeol, Gilbreath, B., & Nichols, B. 2011. Person-Environment Fit and its Effects on University Students: A Response Surface Methodology Study. *Research in Higher Education.*

Abstract: The amount of time, effort, and money expended in pursuit of a college degree makes it important that students choose a university that is a good fit for them. Unfortunately students often determine whether a university is a fit for them through trial and error. This research investigated student-university fit and its relationship with satisfaction and well-being. We assessed student-university fit by developing 18 fit factors and measuring needs for, and supplies of, those factors. We tested our hypotheses using polynomial regression analysis and response surface methodology. Data from 228 students suggest that student-university fit is predictive of students' satisfaction with their university and psychological well-being.

Paper: <http://www.springerlink.com/content/vv8626682125548n/>

Contact: tykim@ceibs.edu

Kim, Tae Yeol, Kim, S., Jun, S. 2011. Social Exchange, Employees' Abilities, and Outcomes. *Korean Journal of Management.*

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Meyer, Klaus E. and Grazia Santangelo. 2011. Extending the internationalization process model: Increases and decreases of MNE commitment in emerging economies. *Journal of International Business Studies*. (FT45) -the first paper with CEIBS affiliation mentioned.

Abstract: The internationalization process model suggests that firms internationalize by building positions in foreign markets and networks, following iterative cycles of learning and changes in commitment. However, as subsidiaries evolve, commitments may be decreased as well as increased, a phenomenon that has rarely been studied. Moreover, it remains an open question why strategic intentions at the outset of an investment project differ from the actual operations established. We address these questions by extending the model and combining it with Mintzberg and Waters' framework of strategy formation. Specifically, we suggest that commitment decisions correspond to statements of intended strategy, while network positions correspond to realized strategies. The processes of learning, opportunity creation and trust building triggered by commitment decisions are, however, moderated by institutional influences that lead to divergences between realized and intended strategies. We test propositions derived from this framework on a survey data set of subsidiaries of multinational enterprises in Hungary, Lithuania and Poland, and find that institutional voids and institutional uncertainty affect subsidiary strategy implementation, but in opposing directions. Under high institutional uncertainty, investors prefer low commitment but flexible modes that enable later commitment increases, whereas institutional voids increase up-front information search and adaptation costs that reduce the likelihood of early post-entry adjustments. Our analysis reinforces the need for more differentiated theoretical analyses of how institutions affect business strategies over time.

Paper: <http://www.palgrave-journals.com/jibs/journal/v42/n7/full/jibs201125a.html>
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Meyer, Klaus E. and Tan, Danchi. 2011. Country-of-origin and industry agglomeration of foreign investors in an emerging economy. *Journal of International Business Studies*. (FT45)

Abstract: Foreign investors access local knowledge by co-locating with other foreign direct investment (FDI) firms. However, different aspects of local knowledge can be obtained from different local businesses. Thus, some foreign investors co-locate with FDI firms from the same country of origin, while others co-locate with foreign industry peers. We argue that, relative to industry FDI agglomeration, country-of-origin agglomeration provides an effective channel for the sharing of sensitive and tacit knowledge about local business environments. Therefore, foreign investors in need of such local knowledge are more likely to locate in country-of-origin agglomerations. Empirical evidence based on FDI in Vietnam indicates that foreign investors who perceive local institutions as particularly weak and those with a high degree of outsidership in the local environment are more likely to seek country-of-origin agglomerations than industry FDI agglomerations.

Paper:

http://www.klausmeyer.co.uk/publications/2011_Tan_Meyer_JIBS_FDI_agglomeration.pdf
Contact: kmeyer@ceibs.edu

Meyer, Klaus E., Mudambi, Ram & Narula, Rajneesh. 2011. Multinational Enterprises and Local Contexts. *Journal Of Management Studies*. (FT45)

Abstract: Some scholars have argued that globalization will reduce the importance of local contexts. We argue instead that despite the increased frequency and intensity of interactions across local contexts, they continue retain their distinctive differences. MNEs face growing challenges in managing the complexity of these interactions, because they must manage 'multiple embeddedness' across heterogeneous contexts at two levels. First, at the MNE level, they must organise their networks to exploit effectively both the differences and similarities of their multiple host locations. Second, at the subsidiary level, they must balance 'internal' embeddedness within the MNE network, with their 'external' embeddedness in the host milieu. Balancing the subsidiary's strategic role within the MNE with its local identity and its domestic linkages can sometimes represent a trade-off. Multiple embeddedness thus creates both business opportunities and operational challenges, which are explored in this special issue.

Paper: http://www.klausmeyer.co.uk/publications/2011_meyer_mudambi_narula_JMS_mne-local-context.pdf
Contact: kmeyer@ceibs.edu

Meyer, Klaus E. and Estrin, Saul. 2011. Brownfield acquisitions – A reconceptualization and extension. *Management International Review*.

Abstract: Firms seeking specific complementary resources to pursue their growth strategy in emerging markets may use 'brownfield' acquisitions to provide access to resources that are embedded in existing firms. This strategy requires a fundamental restructuring of the acquired firm to replace many of its resources and organizational structures. In this paper, we review the concept of brownfield acquisition, establish its empirical relevance outside of transition economies, explore its theoretical and empirical antecedents, and discuss its implications for theorizing in international business.

Paper: http://www.klausmeyer.co.uk/publications/2011_Estrin_Meyer_MIR_brownfield.pdf
Contact: kmeyer@ceibs.edu

Ramasamy, Bala, Matthew C. H. Yeung and Alan K. M. Au. 2011 September. Consumer Support for Corporate Social Responsibility (CSR): The Role of Religion and Values. *Journal of Business Ethics*. (FT45)

Abstract: Ethical behavior among businesses has gained significant prominence in recent years. Survey evidence shows that Asian consumers demand for greater social responsibility among businesses. Thus, a

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deeper understanding of the factors that contribute to such a demand is useful. This study examines the influence of religiosity and values on corporate social responsibility (CSR) support among consumers in Hong Kong and Singapore. Primary data collected among consumers in these cities point to a significant direct relationship between religiosity and CSR support. In Hong Kong, this attitude is due both to altruistic as well as for egotistical (or face saving) reasons. In Singapore, this is mainly due to the latter. The results imply that different motivations should guide CSR strategies in these two cities.

Paper: <http://www.springerlink.com/content/p76334x7w340435v/>
Contact: bramasamy@ceibs.edu

Ramasamy, Bala, Matthew Yeung, Sylvie Laforet. 2011. China's outward foreign direct investment: Location choice and firm ownership.

Abstract: This article evaluates the international location decisions made by public listed Chinese firms during the period 2006–2008, using a Poisson count data regression model. Further, we categorize the firms into state-controlled and privately owned according to majority ownership. We find that the determinants of internationalization differ based on ownership. State-controlled firms are attracted to countries with large sources of natural resources and risky political environments. Private firms are more market seekers. Although all firms have strategic intent, the attraction is commercially viable technology rather than core research content. Our findings also show that existing theories can sufficiently explain the actions of private Chinese firms, but adjustments are needed to understand the behavior of state-controlled multinationals.

Paper:
<http://www.sciencedirect.com/science/article/pii/S1090951610000738>
Contact: bramasamy@ceibs.edu

Thompson, Mike. 2011. Chinese hedonic values and the Chinese classical virtues: managing the tension. *Journal of Management Development*.

Abstract:
Purpose – The purpose of this paper is to explore the extent to which Chinese classical virtues act as a restraint on consumerist hedonic values and the associated priority on profit maximisation by managers.
Design/methodology/approach – The paper is based on a literature review and adopts a reflective approach to the topic.
Findings – The paper considers how Chinese classical virtues are related to contemporary relational or indigenous values and how a social tension is created between these values and the hedonic values now present in Chinese urban society. Implications for management and management education are reviewed in the light of this tension.
Practical implications – The social unrest created by the privatisation of SOEs can be mitigated by the promotion of management education sensitised to the cultural norms and expectations of the Chinese people in relation to the role and responsibilities of managers. The Junzi (gentleman-leader) archetype and the virtues of ren-yi-li are offered as

exemplary features of a management seeking to balance social responsibility with profitability.

Originality/value – The paper highlights the social turbulence created by the advent of market economics in China and the concomitant rise of consumerism and the privatisation of state-owned enterprises.

Paper: <http://www.emeraldinsight.com/journals.htm?articleid=1942703>
Contact: mthompson@ceibs.edu

Thompson, Mike. 2011 March. Marketing with Integrity - Why? (in Chinese). *CEIBS Business Review*. (中欧商业评论)

Paper:
<http://www.eceibs.com/commentary/show/index/classid/5/id/1370>
Contact: mthompson@ceibs.edu

Thompson, Mike and Tim Werkhoven. 2011 March. Connecting CSR to Governance and Investors

Paper: <http://www.goodbrand.com/uploads/documents/eurobizz.pdf>
Contact: mthompson@ceibs.edu

Tsai, Terence, Jui-fen Rachel Lu and Shubo Philip Liu. 2011. Building a Hospital Alliance – Taiwan Landseed Medical Alliance. *Asian Case Research Journal*.

Abstract: Following the launch of the National Health Insurance (NHI) program in 1995, universal coverage was achieved in Taiwan. In the period immediately following the introduction of the program, private hospitals did well and many opportunists entered Taiwan's rapidly expanding, prosperous healthcare market. However, the boom did not last long, ending with Bureau of NHI's hospital global budget system in 2002. The new NHI policies, stricter regulations, and higher public expectations of healthcare services intensified competition in the healthcare market and many private hospitals were forced to close. The Taiwan Landseed Medical Alliance (TLMA) was formed in 1993 by eight hospitals. It was the first successful hospital alliance in Taiwan. Although most of the alliance members were private district hospitals, through collaboration and integrated networks TLMA offered a unique model that combined the strength of each of these small-scale hospitals. The alliance thus enhanced the ability of its members to survive despite fierce competition, and increased their capacity to provide first-rate health care. By fully implementing the operations and development strategies inherent in a collaborative hospital group, TLMA members worked through difficulties together and are already on course to meet many other alliance goals including the upgrading of hospital management practices and service quality, improvement of the medical environment, and promotion of good hospital practice. The case aims to evoke discussion on the important role of alliances in competitive markets and ways to form strategic alliances. Supportive actions and alliance structures should also be considered.

Paper: <http://www.emeraldinsight.com/journals.htm?articleid=1942703>
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Tsai, Terence, Michael N. Young, Bor-Shiuan Cheng. 2011 September. Confucian Business Practices and Firm Competitiveness: The Case of Sinyi Real Estate. *Frontier of Business Research in China.*

Abstract: Throughout the 20th century, many East Asian societies imported and transplanted the institutional foundations for industrialization and market economies, which has provided for substantial advances in material well-being. However, Confucianism, the predominant basis of traditional Chinese morality since antiquity, has begun staging a comeback in the recent years. Yet it is unclear as to how modern Confucian firms in a market economy will be organized, or how this will affect firm competitiveness. To shed further light on these issues, we examine the extant literature and identify several characteristics associated with Confucian business practice along with their potential impact on firm performance. We illustrate each of these characteristics with a company that explicitly follows Confucian business practice—Taiwan-based Sinyi Real Estate. It is found that, in general, Sinyi Real Estate conforms to the description of Confucian-based business practice that is expounded in the extant literature. However, there are a few surprises.

Paper: <http://www.citeulike.org/article/9716104>

Contact: tterence@ceibs.edu

Wang, Jianmao. 2011 September. China Belongs to the Richer Half of the World—The CBR Global Ranking of Economic Development 2010. (in Chinese) *CEIBS Business Review.* (中欧商业评论)

Paper:

<http://www.eceibs.com/commentary/show/index/classid/10/id/1617>

Contact: wjianmao@ceibs.edu

Wang, Jianmao. 2011 May. China's Economic Outlook in 2011 and Beyond. *Economist Intelligence Unit.* (website)

Paper:

<http://www.eceibs.com/commentary/show/index/classid/10/id/1617>

Contact: wjianmao@ceibs.edu

Wang, Jianmao. 2011 March. China's Economic Outlook in 2011. (in Chinese). *Social Outlook.*

Paper:

<http://www.eceibs.com/commentary/show/index/classid/10/id/1617>

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Xiang, Yi and David A. Soberman. 2011 January. Preview Provision Under Competition. *Marketing Science.* (FT45)

Abstract: In certain categories, an important element of competition is the use of previews to signal information to potential consumers about product attributes. For example, the front page of a newspaper provides a preview to potential newspaper buyers before they purchase the product. In this context, a news provider can provide previews that are highly

informative about the content of the news product. Conversely, a news provider can utilize a preview that is relatively uninformative. We examine the incentives that firms have to adopt different preview strategies in a context where they do not have complete control of product positioning. Our analysis shows that preview strategy can be a useful source of differentiation. However, when a firm adopts a strategy of providing informative previews, it confers a positive externality on a competitor that utilizes uninformative previews. This reinforces the incentive of the competitor to use uninformative previews and explains why the market landscape in news provision is often characterized by asymmetric competition.

Paper: <http://mktsci.journal.informs.org/content/30/1/149.abstract>

Contact: yixiang@ceibs.edu

Xiao, Zhixing and Peter W. Hom. Forthcoming, 2011 November. Embedding social networks: How guanxi ties reinforce Chinese 3 employees' retention. *Organizational Behavior and Human Decision Processes.* (FT45)

Abstract: Going beyond traditional inquiry into social support from local organizational constituents, this project examined how diverse resources from mutually affiliated contacts within and beyond local work environs boost propensity to stay in firms. We deployed [Burt's \(1992\)](#) name generator and network closure index to more fully assess guanxi networks in China, which comprise strong, dense, and multiplex ties. Specifically, we tested how closed guanxi networks promote job loyalty among Chinese nationals, while investigating how high-commitment human resource management (HRM) systems moderate network effects. We collected egonet data from 417 employees in four high tech firms in China. Hierarchical linear modeling revealed that guanxi network closure increases propensity to stay, whose effects high-commitment HRM reinforce.

Paper:

<http://www.sciencedirect.com/science/article/pii/S0749597811000744>

Contact: xzhixing@ceibs.edu

Xiao, Zhixing, Junmin Wang and Doug Guthrie. 2011 July. The Rise of SASAC: Asset Management, Ownership Concentration, and Firm Performance in China's Capital Markets. *Management and Organization Review.*

Paper: [http://business.gwu.edu/dean/publications/pdf/china/the-rise-of-sasac-july-](http://business.gwu.edu/dean/publications/pdf/china/the-rise-of-sasac-july-2011.pdf&sa=U&ei=y9qfTtXbM4SuiOe75cHMBg&ved=0CB00FiAA&sig2=cjBOY-)

[2011.pdf&sa=U&ei=y9qfTtXbM4SuiOe75cHMBg&ved=0CB00FiAA&sig2=cjBOY-](http://business.gwu.edu/dean/publications/pdf/china/the-rise-of-sasac-july-2011.pdf&sa=U&ei=y9qfTtXbM4SuiOe75cHMBg&ved=0CB00FiAA&sig2=cjBOY-)

[ikiEwIFG00_T91w&usg=AF0iCNECP73NosM48FJhRdwmXI0oZyiN3w](http://business.gwu.edu/dean/publications/pdf/china/the-rise-of-sasac-july-2011.pdf&sa=U&ei=y9qfTtXbM4SuiOe75cHMBg&ved=0CB00FiAA&sig2=cjBOY-)

Contact: xzhixing@ceibs.edu

Xin, Katherine R. and Haijie Wang. 2011 September. Case Study: Culture Clash in the Boardroom. *Harvard Business Review.* (FT45)

Paper: <http://hbr.org/2011/09/culture-clash-in-the-boardroom/ar/1>

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Newsletter

Faculty Research Publications

Xin, Katherine R., Hui Wang, Anne S. Tsui. 2011 February. CEO leadership behaviors, organizational performance, and employees' attitudes. *The Leadership Quarterly*. (A*)

Abstract: This study explores the links between CEO leadership behaviors, firm performance and employees' attitudes in a sample drawn from 125 firms in China. We first inductively identified categories of CEO leadership behaviors in the Chinese context. Through a factor analysis, we developed a six-dimension measure of CEO leadership behaviors, with three dimensions focused on tasks and three dimensions focused on relationships. Our hypotheses were tested on a matched data set including 739 middle managers and their supervisors (top managers) in the 125 firms. Results from the structural equation modeling analysis show that the CEO's task-focused behaviors are directly linked to firm performance. The CEO's relationship-focused behaviors are related to employees' attitudes and, through these attitudes, to firm performance. Limitations and implications for future research are discussed.

Paper:

<http://www.sciencedirect.com/science/article/pii/S104898431000189X>

Contact: katherinexin@ceibs.edu

Xu, Bin, Elias Dinopoulos, Constantinos Syropoulos, Yoto V. Yotov. 2011 May. Intraindustry Trade and the Skill Premium: Theory and Evidence. *Journal of International Economics*. (A*)

Abstract: We explore theoretically and empirically the relationship between intraindustry trade and the skill premium. Our model features a Chamberlinian-type mechanism of income distribution based on quasi-homothetic consumer preferences, non-homothetic production, and factor-biased scale economies at the firm level. The analysis focuses on a two-country, one-sector model of intraindustry trade with two factor inputs consisting of high-skilled and low-skilled labor. We find that a move from autarky to free trade (a) raises the output of the representative firm and its level of total factor productivity, and (b) reduces (raises) the relative wage of high-skilled workers under the hypothesis of output-skill substitutability (output-skill complementarity). Plant-level evidence from Mexico supports the empirical relevance of the proposed income-distribution mechanism.

Paper:

<http://www.sciencedirect.com/science/article/pii/S0022199611000079>

Contact: xubin@ceibs.edu

Xu, Bin. 2011 February. Gloomy Growth Ahead? Messages from the 2010 Survey of Chinese Executives. (in Chinese) *CEIBS Business Review*. (中欧商业评论)

Paper: http://www.ceibs.com/column/index/news_show/id/51

Contact: xubin@ceibs.edu

Xu, Bin. 2011. The Impact of Trade and FDI Policies on Technology Adoption and Sourcing of Chinese Firms. *Contemporary Economic Policy* (Wiley-Blackwell)

Abstract: How do trade and foreign direct investment (FDI) policies impact the decisions of firms in technology adoption (process versus product innovations) and sourcing (internal versus external; foreign versus domestic)? We use a sample of Chinese firms to address this question. China's trade and FDI policies lead to different forms of internationalization: ordinary exports, processing exports, majority FDI, and minority FDI. We find that both exporting and FDI stimulate process innovation; ordinary exports, processing exports and FDI have strong, weak and no effects on stimulating product innovation, respectively. Exporting firms source technologies both internally through R&D and externally from foreign and domestic sources. FDI firms have a lower tendency of internal technology development and domestic technology sourcing but a much higher tendency of foreign technology sourcing than exporting firms.

Paper: <http://www.ceibs.edu/faculty/xubin/Tech.pdf>

Contact: xubin@ceibs.edu

Xu, Dean, Wu, Jianfeng and Phillip Phan. 2011. The effects of ownership concentration and corporate debt on corporate divestitures in Chinese listed firms. *Asia Pacific Journal of Management*.

Abstract: This study examines how ownership concentration and corporate debt impact corporate divestitures in China. Corporate divestitures reduce the asset base of a company and the opportunity for expropriation by majority shareholders. In emerging economies, weak legal institutions, combined with equity ownership concentration and high corporate debt, allow majority shareholders to avoid such disciplines. Consequently, the relationship between these governance mechanisms and divestiture activity exhibits a pattern that is different from that in developed economies. Using archival data collected from 1,210 Chinese listed companies during 1999–2003, we found that ownership concentration by the largest shareholder

depressed corporate divestitures both in state-controlled and in non-state-controlled firms. The negative effect of corporate debt on divestitures only existed for statecontrolled firms. Our finding provides corroborating evidence for principal–principal conflicts in emerging economies. It suggests that corporate strategy in these countries can be better explained by taking into account the unique agency problems that are prevalent in these economies.

Paper: <http://www.springerlink.com/content/k0764vq256g4h47u/>

Contact: deanxu@ceibs.edu

Yeung, Arthur. 2011 July. Celebrating 50 years: How robust and relevant is our HR knowledge? *Human Resource Management*. (FT45)

Paper: <http://onlinelibrary.wiley.com/doi/10.1002/hrm.20442/pdf>

Contact: ayeung@ceibs.edu

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Faculty Research Publications

Zhang, Wei, Xu Weiwei; Sheiman Igor; van de Ven Wynand P M M. 2011. Prospects for regulated competition in the health care system: what can China learn from Russia's experience? *Health policy and planning*.

Abstract: As China explores new directions to reform its health care system, regulated competition among both insurers and providers of care might be one potential model. The Russian Federation in 1993 implemented legislation intended to stimulate such regulated competition in the health care sector. The subsequent progress and lessons learned over these 17 years can shed light on and inform the future evolution of the Chinese system. In this paper, we list the necessary pre-conditions for reaping the benefits of regulated competition in the health care sector. We indicate to what extent these conditions are being fulfilled in the post-reform Russian and current Chinese health care systems. We draw lessons from the Russian experience for the Chinese health care system, which shares a similar economic and political background with the pre-reform Russian health care system in terms of the starting point of the reform, and analyse the prospects for regulated competition in China.

Paper: <http://heapol.oxfordjournals.org/content/26/3/199.abstract>

Contact: wzhang@ceibs.edu

Zhang, Wei, Zheng H, Ayanian JZ, Zaborski LB, Zaslavsky AM. 2011. Profiling Hospitals by Survival of Patients with Colorectal Cancer. *Health Services Research*.

Abstract:

OBJECTIVE:

To profile hospitals by survival rates of colorectal cancer patients in multiple periods after initial treatment.

DATA SOURCES:

California Cancer Registry data from 50,544 patients receiving primary surgery with curative intent for stage I-III colorectal cancer in 1994-1998, supplemented with hospital discharge abstracts.

STUDY DESIGN:

We estimated a single Bayesian hierarchical model to quantify associations of survival to 30 days, 30 days to 1 year, and 1-5 years by hospital, adjusted for patient age, sex, race, stage, tumor site, and comorbidities. We compared two profiling methods for 30-day survival and four longer-term profiling methods by the fractions of hospitals with demonstrably superior survival profiles and of hospital pairs whose relative standings could be established confidently.

PRINCIPAL FINDINGS:

Interperiod correlation coefficients of the random effects are (95 percent credible interval 0.27, 0.85), (0.20, 0.76), and (0.19, 0.82). The three-period model ranks 5.4 percent of pairwise comparisons by 30-day survival with at least 95 percent confidence, versus 3.3 percent of pairs using a single-period model, and 15-20 percent by weighted multiperiod methods.

CONCLUSIONS:

The quality of care for colorectal cancer provided by a hospital system is somewhat consistent across the immediate postoperative and long-term follow-up periods. Combining mortality profiles across longer periods may

improve the statistical reliability of outcome comparisons.

Paper: <http://www.ncbi.nlm.nih.gov/pubmed/21210794>

Contact: wzhang@ceibs.edu

Zhu, Tian. 2011 May. China Needs Development, Not Transition. (In Chinese) *Social Outlook*.(社会观察)

Paper:

http://www.ceibs.edu/media_c/mediacoverage/clippings/62695.shtml

Contact: ztian@ceibs.edu

Books

Lee, Jean. 2011 March. *Leadership in China Market*.

(*中国市场领导力: 100位经理人的实战告白*). Fudan University Publication.

Book: <http://book.360buy.com/10543963.html>

Contact: jeanlee@ceibs.edu

Meyer, Klaus E. and Peng, Mike W. 2011. *International Business*. London: Cengage Learning.

Book:

http://www.klausmeyer.co.uk/publications/2011_peng_meyer_International_Business_preface.pdf

Contact: kmeyer@ceibs.edu

Thompson, Mike. 2011. *Leading with Wisdom*. Garant, Antwerp/Apeldoorn.

Book:

<http://www.eurospes.be/page.php?LAN=E&ID=1560&SID=1560&FILE=pubfiche>

Contact: mthompson@ceibs.edu

Thompson, Mike. 2011. *Business, Spirituality and the Common Good*. Russell Media, Boise, Idaho.

Book:

<http://www.eurospes.be/page.php?LAN=E&ID=1508&SID=1508&FILE=pubfiche>

Contact: mthompson@ceibs.edu

Xiao, Zhixing. 2011. *Eastern vs Western Culture and Management*.

(*东张西望: 东西方文化与管理*) China Machine Press.

Book:

<http://data.book.163.com/book/home/009200030001/000BFKYH.ht>

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Contact: xzhixing@ceibs.edu

Xin, Katherine R., Chan, M, Zhang L. 2011. *Five Types of Leadership* (五型领导者:个性化的领导力提升之道) CITIC.

Book: <http://baike.baidu.com/view/6446950.htm>

Contact: katherinexin@ceibs.edu

Yeung, A., Xin, K.R., Pfoertsch, W, and Liu, S J., 2011. *Globalization of Chinese Companies: Strategies for Conquering International Markets*. John Wiley & Sons Publishing.

Book: <http://www.amazon.com/Globalization-Chinese-Companies-Strategies-International/dp/0470828781>

Contact: ayeung@ceibs.edu, katherinexin@ceibs.edu

Book Chapters

Meyer, Klaus E. and Estrin, Saul. 2011. "Foreign Direct Investment in Transition Economies: Strengthening the Gains from Integration" in: R. Vos & M. Kopránová, eds, *Transition and Diversification: Globalization and Policy Challenges for Economies in Transition*, Oriental Longman and Zed Hope, forthcoming.

Contact: kmeyer@ceibs.edu

Thompson, Mike. 2011. "Spirituality as Faith in Relation to Management" in Laszlo Zsolnai (ed.) *Spirituality and Ethics in Management*, Springer, pp.163-170.

Contact: mthompson@ceibs.edu

Thompson, Mike. 2011. "On Self-Interest" in Hendrick Opdebeeck and Laszlo Zsolnai (eds.) *Spiritual Humanism and Economic Wisdom*, Garant, Antwerpen/Appeldoorn, pp.79-88.

Contact: mthompson@ceibs.edu

Thompson, Mike. 2011. "A philosophy and spirituality of wisdom based leadership", in Thompson, M. J. and Eynikel J. (eds), *Leading with Wisdom*, Garant, Antwerp/Appeldoorn

Contact: mthompson@ceibs.edu

Thompson, Mike. 2011. "Managing Sustainability for Economic Return in the Multinational Enterprise", in Mobley, W. H., Li, M., & Wang, Y. (eds.) *Advances in Global Leadership*, Vol. 6, Emerald.

Contact: mthompson@ceibs.edu

Cases

Chen, Weiru and Xu Leiping. "中国数字化阅读平台模式". CEIBS Case No. CI-311-005. 2011

Fernandez, Juan Antonio. "Leadership in crisis: when 24 hours just is not enough!". CEIBS Case No. CC-311-009. 2011

Liang, Neng and Wang Song. "古井集团: 曹杰上任". CEIBS Case No. CI-311-013. 2011

Description:

2007年4月13日, 古井集团原董事长、古井贡原董事王效金在家里被纪委部门直接带走。

正在中欧国际工商学院学习的古井酒店集团董事长曹杰临危受命, 主持古井贡集团工作。曹杰发现面临的挑战非常大。首先是产品质量和市场营销问题。更紧急的是财务问题。由于多元化过度造成的亏损和经营管理不善, 2006年古井已经内亏2个多亿了。经营问题背后是一系列的管理问题。人心涣散, 队伍涣散, 正不压邪。再加上古井腐败案连带揭露出来种种管理问题; 许多媒体上对此都作了深度报道, 导致古井品牌的美誉度大幅下滑。情势紧急, 问题复杂。盘根错节, 从哪里开刀? 临危受命, 曹杰该如何应对?

Order: <http://www.eceibs.com/case/show/index/id/616>

Liang, Neng and Lin Shu. "瑞安房地产". CEIBS Case No. CI-311-002. 2011

Liang, Neng and Raymond Xu. "Succession planning at Anhui Xinhua Group," (in Chinese). CEIBS Teaching Case, 2011.1

Liang, Neng and Wang Song. "CEO Succession at Ku6.Com," (in Chinese). CEIBS Teaching Case, 2011.4

Lynton, Nandani. "Kaper Maschinenbau and Tian Fu Tools: Take-over with Chinese Characteristics (A)" CEIBS Case No. CC-311-014. 2011

Description: Five years previously, Tian Fu Tools (TFT), a Chinese state owned machinery enterprise bought the Stuttgart-based mid-sized lathe and machinery building company, Kaper Maschinenbau. Enjoying a rare day off, Heinrich Baumann, CEO of Kaper, is interrupted by a phone call

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from the TFT GM, Zhang Jian, stating that the TFT board has decided to move production of a further 3 Kaper machines to Tianjin, as well as moving large parts of the Kaper research facilities to China. Baumann is dismayed to be caught off-guard and not involved in discussing such a decision. He tries to make sense of Zhang Jian's behaviour and wonders how to present this change credibly to the union and supervisory board. Baumann begins strategizing ways to protect the company from their Chinese owners.

Order: <http://www.eceibs.com/case/en/show/index/id/620>

Lynton, Nandani. "Kaper Maschinenbau and Tian Fu Tools: Take-over with Chinese Characteristics (B)" CEIBS Case No. CC-311-015. 2011

Description: Zhang Jian is speechless. Looking out his office window at the Tianjin traffic, he tries to understand why the Germans are reacting to his phone call in this untypically extreme and emotional way. Trained as an engineer, Zhang Jian has spent the last 19 years at Tian Fu Tools (TFT), a Tianjin-based medium-sized state owned enterprise producing industrial machine tools, mills and lathes and employing 5,300 people. In the late '90's, General Manager Cao began paying attention to Zhang, who had risen to head the operations by then. Cao began to include Zhang in discussions about business decisions, and then arranged for him to take an MBA at nearby Nankai University. Though he had learned much from his years in the industry, discussions with his fellow students from other sectors and even two ministries had sharpened Zhang's strategic thinking. Soon after completing his degree, Zhang was promoted to Deputy General Manager, and in 2005, Cao asked him to manage the acquisition of Kaper Machine Tools (Kaper) in Stuttgart.

Order: <http://www.eceibs.com/case/en/show/index/id/621>

McKern, Bruce, Rolf Cremer and Jess Zhang. "MMD Asia Pacific Ltd. and the Development of a Global Business." CEIBS Case No. CC-311-017. 2011

Meyer, Klaus E. "In Focus "Boom and Bust in Spain" and "Rotterdam: Gateway to the World" mini-cases in Peng, Mike, W.: Global Business, Mason, Ohio: Cengage Learning." 2011

Schutte, Hellmut, Anna Wang. "BYD: dream or pipedream?". CEIBS Case No. CC-311-016. 2011

Wang, Gao, Zhang Rui. "京东商城". CEIBS Case No. CC-311-017. 2011

Xu, Bin and Liu Ying. "BMW's Foreign Exchange Risk Management." CEIBS Case No. CC-111-010. 2011

Description: BMW produces the vast majority of its vehicles in Germany, and exports a large quantity to the rest of the world. As a result, the company faces a large amount of foreign exchange risks. BMW uses both

natural hedge and financial hedge tools to manage the exchange rate exposure. In terms of natural hedge, BMW adopts two strategies. The first strategy is "Production follows market". BMW has established factories in the U.S., Britain, China and South Africa. The second strategy is "Purchase follows sales". BMW has significantly boosted its purchasing and procurement in U.S. dollars, especially in the North American Free Trade Agreement (NAFTA) region. In terms of financial hedge, BMW buys foreign exchange forwards and occasionally some simple option products. The case can be used in courses of international finance and risk management.

Order: <http://www.eceibs.com/case/en/show/index/type/52/id/614>

Xu, Bin and Liu Ying. "Euro Costs vs. Dollar Revenues: How EADS Manages Foreign Exchange Exposure." CEIBS Case No. CC-111-011. 2011

Description: The European Aeronautic Defense and Space Company (EADS), parent company of Airbus, has caught up with Boeing in commercial aircraft deliveries and sales revenues, but fall largely behind Boeing in net profits. One major reason for EADS' poor profit performance is a mismatch in its cost currency and revenue currency. About eighty percent of EADS' costs occur in the euro area, while sixty percent of its revenues are in U.S. dollars. The profits of EADS suffer greatly during the first decade of the 21st century when the euro appreciated sharply against the U.S. dollar. This case discusses EADS' operational currency exposure and the strategies EADS uses to manage the exposure. In particular, the case elaborates on the natural hedge methods of production diversification and global sourcing. The case can be used in courses of international finance and risk management.

Order: <http://www.eceibs.com/case/en/show/index/id/615>

Zhang, Wei and Xu Leiping. "微创医疗". CEIBS Case No. CI-311-006. 2011

Zhang, Weijiong. "江苏熔盛重工有限公司 (C)". CEIBS Case No. CI-311-003. 2011

Awards and Honors

This year the School modified the CEIBS Research Policy which establishes the criteria and procedure of CEIBS Research Excellence Awards to recognize and encourage overall research excellence and important research achievements. **Prof. Ding Yuan** and **Prof. Rama Velamuri** have won the first CEIBS Research Excellence Awards.(Oct 31, 2011)

News: <http://www.ceibs.edu/media/archive/67672.shtml>

Professor of Management, Chair of the Department of Management and Associate Dean (Faculty) **Liang Neng** has been elected Vice President of the International Association for Chinese Management Research (IACMR).

Jan. - Sep.
Quarter 3, 2011

Published: Nov. 7, 2011 | China Europe International Business School  CEIBS

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He will assume the IACMR presidency in 2016. (June 12, 2011)

News: <http://www.ceibs.edu/media/archive/64316.shtml>