

## Research Assessment Exercise 2020 Impact Overview Statement

**University:** The University of Hong Kong (HKU)

**Unit of Assessment (UoA):** 20. Accountancy

**Total number of eligible staff of the university in the UoA:** 15

### (1) Context

HKU's research mission is clear: 'To engage in innovative, high-impact and leading edge research within and across disciplines' (<http://hku.hk/about/vision.html>). This reflects HKU's Knowledge Exchange strategy: delivering institution-wide support and frameworks to engage with research users and create impact. The Accountancy UoA conducts frontier research in a range of topical areas. Its influence on policy and regulation and its advice on the practical use of accounting are inextricably linked with its research and teaching excellence. The unit has embedded knowledge creation and exchange within its normal working practices. Staff respond to important practical issues and generate impact by transferring knowledge to users through media and professional channels, enabling professionals and firms to stay abreast of latest trends and make better informed decisions. This is evident and readily identified in three key contexts of impact:

*i. International regulation:* The unit's world-class research has influenced regulatory bodies such as the U.S. *Securities and Exchange Commission* (SEC), which referenced and cited Dr **Chan**'s work on the effects of clawback provisions in debate of a proposed rule under the Dodd-Frank Act.

*ii. Professional standards:* The unit routinely participates in and influences accounting standard-setting, enhancing the quality of financial reporting, integrity, valuation and information disclosure. Professor **Zhang** is a member of the *Advisory Panel on Valuation* and of the *Financial Reporting Standard Committee* of the Hong Kong Institute of Certified Public Accountants (HKICPA).

*iii. Economic and investment activities:* The UoA engages in executive training and practitioner conferences (hosted, for example, by *Macquarie Bank*, *Bank of America Merrill Lynch*, and *Deutsche Bank*), transferring knowledge that helps to improve business decisions and enhance organisational practices. Attendees have included institutional investors and corporate executives. The unit's research findings are also disseminated through mainstream practitioner journals, media outlets (such as *CFO.com*, *Wall Street Journal*), and teaching cases produced through the Faculty's *Asian Case Research Centre* (ACRC), to reach targeted users and the public.

### (2) Approach to impact

UoA staff are committed to generating high quality, relevant research as a basis for impact. In devising research agendas and identifying research programmes, staff respond to real world issues and examine them through rigorous theoretical and empirical approaches. UoA staff publish in leading academic journals for maximum credibility and visibility to target audiences, leading to impact. Other mechanisms for generating impact include *interacting with advisory boards*, *executive education*, *collaboration*, and *dissemination* through a wide range of publication outlets.

**Advisory Boards.** UoA staff have been appointed to various advisory boards of professional bodies and the private sector. For example, **Zhang** contributes to the consideration of financial reporting standards and valuation while serving on the *Advisory Panel on Valuation* and the *Financial Reporting Standards Committee* of HKICPA (the sole academic member of that Committee). Members sit on private companies' boards, improving business decision-making, transparency, compliance and governance (eg, *Shenzhen Gas Corporation* and *China First Chemical Holdings*).

**Executive Education.** UoA members serve as co-developers of, and instructors in, Executive Education programmes offered by the Faculty to company clients. They participate in the creation of teaching cases through the Faculty's ACRC, extending the global reach of the unit's impact. Knowledge exchange and impact are one of the essential dimensions of faculty members' periodic performance evaluation at HKU. In fulfilment of its stated mission, the unit strongly encourages its members, especially senior members, to serve and contribute to non-academic communities.

Researchers engage with the Certified Public Accountant (CPA) community, standard-setting bodies, investor groups and corporate boards. **Wang** shared findings on Chinese listed firms at a *Global Quantitative Research Conference* (hosted by *Macquarie Bank*); and **Zhang** spoke at the *CQAsia Conference* (hosted by *Chicago Quantitative Alliance* jointly with *Bank of America Merrill Lynch*) and at *dbAccess Global Quant Conference* (hosted by *Deutsche Bank*).

**Collaboration.** The UoA has developed significant collaborations with the CPA profession to enhance visibility and impact. These alliances include HKICPA, Association of Chartered Certified Accountants (ACCA), Chartered Global Management Accountant, CPA Australia, and the Institute of Chartered Accountants in England and Wales. MoUs for collaborations with ACCA and KPMG are in place, which helps to stay in touch with emerging trends and enriches research and teaching.

**Dissemination.** The UoA adopts an active strategy for spreading research insights to investors and the public via online and print media. **Wang** has provided expert views through the *Wall Street Journal* and *CFO Magazine Online* on business and investment topics. The unit's research results have been featured in practitioner journals (*Global Tax Weekly*, the *International Tax Journal*), and on financial and legal executive platforms (*Accounting Today*, *Corporate Financial Weekly*) with audiences including the investment community, the business press, regulators, and the public. The Faculty's media and communications office further facilitates research dissemination. This comprehensive strategy for knowledge transfer has driven the selection of **Chan**'s case study.

### (3) Strategy and plans

The UoA will continue to deliver research with rigour and relevance, to become the go-to hub in Asia Pacific for knowledge creation in accounting. This will be premised on:

- Continued investment in capacity, expertise, and infrastructure for knowledge generation and transfer. Commitment to impactful research and teaching has been reflected in the fast transformation and improvement of the UoA in the 2014-2019 period, and will continue into the next RAE period. As an example of this commitment, the UoA recently appointed a post-doctoral fellow to work on the topic of financial reporting and valuation, which is fundamentally important to the decisions of investors and standard setters.
- Clear plans to further deepen and strengthen knowledge exchange engagement through closer ties with major accounting professional bodies, enabling researchers to explore important and emerging topics through practical involvement.
- Clear plans to link with policy makers, regulators, firms and investors to generate research programmes from real world problems and bring positive changes to practice and regulation.
- Improved uptake of Faculty and University resources for impactful projects and cross-disciplinary and inter-institutional collaborations through various funding schemes (such as Knowledge Exchange awards, the Research Impact Fund, and the Theme-based Research Scheme).

### (4) Relationship to case studies

The selected Accountancy case is one of the outcomes from the UoA's research programmes under the dual-focus of rigor and relevance. It exemplifies how rigorous research addressing important practical issues first gets published in top academic journals, and then transferred into influential practitioner journals and on-line platforms, leading to direct and highly significant influence on policy-making and practice. The UoA is committed to studying relevant problems from practice and publishing its findings in top-quality journals - which themselves are closely followed by non-academic audiences. In this instance HKU research was picked up by the SEC and cited as a major influence on their deliberation, eventually resulting in amended implementation of rules addressing the clawback issue. **Chan**'s work also gained maximum attention and reach through involvement in conferences and workshops, reaching a broad spectrum of national and international accountancy practitioners, financial regulators and policy-makers. The significance and reach of this case is underlined by the SEC's role in setting standards for regulatory trends across the globe.