YANRU HAN

+852 6994-4597 ⋄ hanyr@link.cuhk.edu.hk

https://sites.google.com/view/yanruhan/

Department of Finance, CUHK Business School, The Chinese University of Hong Kong

EDUCATION

The Chinese University of Hong Kong, CUHK Business School   2018-present
- Ph.D. Candidate in Finance

Tsinghua University, School of Economics and Management   2014-2018
- B.S. in Economics and Finance

RESEARCH INTEREST

Sustainable Finance: Workplace Equality
Empirical Corporate Finance: Labor, Supply Chain

WORKING PAPERS

Do Investors Value Corporate Workplace Equality? Job Market Paper
Best Paper Award (PhD Symposium), 12th FMCG Conference
Using a unique workplace equality measure constructed from big data on online job postings, I show that investors tilt their holdings toward firms with better workplace equality profiles after the unexpected 2020 Black Lives Matter (BLM) movement. Empirical evidence suggests that the effects are driven by both changes in investors' beliefs about risks associated with workplace equality and shifts in investors' non-monetary preferences for workplace equality. I document that high-equality firms outperform their peers when public attention to social equality is high. I show that the changes in investor behavior persist over time, suggesting that investors do not reverse their beliefs and/or preferences for workplace equality despite the gradual fading of the 2020 BLM movement. Finally, I show that the changes in investor behavior have real impacts on the appointments of racial minorities to the boards of directors.

The Rise of Conscious Consumers: The Cash Flow Implications of Corporate Workplace Equality (with Ling Cen, Chang Liu, and Jing Wu)
We construct a corporate workplace equality measure based on textual analysis of equal employment opportunity statements in online job postings of US public companies. We verify this measure by demonstrating its predictive power for future employment discrimination lawsuits and identifying the cost that deters low-equality firms from mimicking high-equality peers. Based on this measure, we show that US households spend more on products produced by firms with higher corporate workplace equality, and this pattern is stronger among consumers of racial or gender minorities. We establish the causality by taking advantage of quasi-exogenous social events, including the #MeToo movement in 2017, the passage of the California Gender Board Diversity Law in 2018, and the Black Lives Matter movement in 2020. Overall, our study provides direct cash flow implications of corporate workplace equality through the purchase decisions of conscious consumers and establishes a micro-foundation of consumer behaviors for the asset pricing of ESG/CSR factors.

Equal Employment Opportunity in Supply Chains (with Ling Cen and Jing Wu)

The equal employment opportunity (EEO) policy is an essential component of workplace diversity, equity, and inclusion (DEI) practices. This paper examines whether principal customer firms influence the EEO policies of their dependent suppliers. Specifically, using a novel workplace EEO measure based on the textual analysis of online job postings, we demonstrate a lead-lag pattern of workplace EEO policies between customers and suppliers, suggesting that the suppliers adjust workplace EEO practices to cater to their principal customers. This effect is more pronounced when the principal customers enjoy a stronger bargaining power. To alleviate the endogeneity concerns, we use the adoption of the California Board Diversity Law in 2018 as an exogenous shock to support a causal interpretation of our findings. Furthermore, we find that the supplier's adverse workplace EEO incidents increase the likelihood of supply chain relationship termination, especially when the customer's workplace EEO level is high. Lastly, we find that higher customer workplace EEO levels boost suppliers' innovation performance, measured by patent quantity and quality, suggesting economic benefits associated with the diffusion of workplace EEO practices along supply chains.

What Do Questions Reveal? Skill Acquisition, Detection, and Recognition in the Capital Markets (with Ling Cen and Jarrad Harford)

Best Paper Award, AsianFA Annual Conference, 2022

We construct an *ex ante* topic-specific skill measure based on the frequency of topic-specific questions that analysts raised in past earnings conference calls. In a supply chain information setting, we show that analysts with supply-chain-specific skill experience a greater improvement in forecast accuracy relative to their peers when the firms experience firm-specific or market-wide supply-chain shocks. Analysts acquire skills through cross-brokerage learning and within-brokerage coaching. While brokerage firms do not assign tasks according to topic-specific skills, evidence based on the market reactions to recommendation updates and the information diffusion speed along the supply chain suggests that investors do recognize these skills. Overall, we provide a generalizable method that penetrates the black box of information processing and study the skill acquisition, detection, and diffusion in the capital market.

WORK IN PROGRESS

Exchanges of Innovation Resources between Firms with Common Customers

I examine the understudied economic link between firms with common principal customers. I show that firms with common principal customers (customer-connected firms) are more likely to engage in the exchange of innovation resources with each other. The results suggest that inventor cross-movements and patent cross-citations between customer-connected firm pairs are higher relative to other non-connected firms. The effects are more pronounced for firms connected by larger customers and customers that require more relationship-specific investment. I establish the causality using the exogenous formation of customer-connected firm pairs as a result of the mergers and acquisitions of principal customers. I show that the effects are likely due to collaboration between the customer-connected firms rather than competition-induced technology poaching.

Private Equity and Supply Chain Restructuring around Supply-Chain Shocks (with Ling Cen)

Dissecting Product Market Synergies in Mergers and Acquisitions (with Ling Cen and Nicholas Zhiyao Chen)

PRESENTATIONS

2022: AsianFA Annual Conference, 12th FMCG Conference, 2022 FMA Doctoral Consortium & Special PhD Student Paper Presentation (scheduled), FMA Europe, Sveriges Riksbank*, Economics of Financial Technology Conference, F&A 2022 Symposium, Academy of Finance Conference
2021: HKUST*, CUHK
* *presented by co-author*

AWARDS

Best Paper Award, AsianFA Annual Conference, 2022
Best Paper Award (PhD Symposium), 12th FMCG Conference, 2022
Competitive Graduate Student Research Grant, The Chinese University of Hong Kong, 2022
EFA Student Travel Grant, EFA, 2022
Postgraduate Fellowship, The Chinese University of Hong Kong, 2018-present

TEACHING

Teaching Assistant, The Chinese University of Hong Kong
Behavioral Finance, 2018-2022
- *Teaching Evaluation Score: 6/6 (2022)*
Mergers & Acquisitions (MBA course), 2018-2021

LANGUAGES & SKILLS

Languages: English (fluent), Chinese (native)
Computer skills: Python (Big Data, Machine Learning, Textual Analysis), SAS, Stata

REFERENCES

Sudipto Dasgupta (Co-Chair)
Professor of Finance
Department of Finance
The Chinese University of Hong Kong
Email: s.dasgupta@cuhk.edu.hk

Ling Cen (Co-Chair)
Associate Professor of Finance
Department of Finance
The Chinese University of Hong Kong
Email: ling.cen@cuhk.edu.hk

Jarrad Harford
Professor of Finance and Business Economics
Department of Finance and Business Economics
University of Washington
Email: jarrad@uw.edu

Zhenyu Gao
Associate Professor of Finance
Department of Finance
The Chinese University of Hong Kong
Email: gaozhenyu@baf.cuhk.edu.hk