

Yijun Zhou

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Employment

Baruch College, City University of New York, United States 2021–Present
Assistant Professor in Finance

Education

INSEAD, France/Singapore 2014–2020
PhD in Finance
Comprehensive examination passed with distinction (2015)

University of Oxford, United Kingdom 2013–2014
MSc in Financial Economics

University of Aberdeen, United Kingdom 2010–2013
MA in Accountancy-Economics (Undergraduate degree with first class honours)

Research Interests

Empirical Corporate Finance, Labor and Finance, Mutual Funds, Information in Financial Markets

Job Market Paper

To Fire or Not to Fire? The Role of Job Security in Asset Management

- *Presented at: University of Hong Kong, Hong Kong Baptist University, University of Maryland, Baruch College, University of Arkansas, University of Connecticut, Northern Finance Association Conference 2019; LBS Trans-Atlantic Doctoral Conference 2019; Brown Bag at Amsterdam Business School 2019; Brown Bag at INSEAD 2019; Workshop at Tsinghua University 2019*

ABSTRACT: Does job security affect employees' incentives and performance, and if so, in which direction? I study the causal effect of job security in the setting of asset management and exploit a novel quasi-natural experiment: When an asset management firm's external subcontractor is involved in regulatory misconduct, the firm becomes less likely to terminate its internal funds and fund managers, resulting in exogenously increased job security for fund managers inside the firm. Using a difference-in-differences approach, I find that fund managers experiencing increased job

security deliver lower performance, especially those who care less about their reputation in the labor market. Furthermore, I show that the firm provides higher pay-for-performance as an imperfect substitute to incentivize employees when internal job security exogenously increases. Overall, my results suggest that higher job security disincentivizes employees and can negatively affect productivity.

Working Papers

Strategic Complementarities in Monitoring: The Bright Side of Benchmarking

- *Award: 30th AFBC PhD Forum Best Paper 2017 (First Prize)*
- *Presented at: Financial Management Association Conference 2018; China International Conference in Finance (CICF) 2018; 30th Australasian Finance and Banking Conference and PhD Forum 2017; 6th Wharton–INSEAD PhD Consortium 2017; Brown Bag at INSEAD 2017*

ABSTRACT: In the mutual fund industry, investment styles act as benchmarks: each fund is required to invest in accordance to its style and their performance is benchmarked against other same-style funds. This paper examines how benchmarking affects the interactions between same-style funds in their monitoring decisions regarding portfolio companies. By scrutinizing the actual voting behavior of mutual funds and exploiting exogenous fire sales and purchases as instruments, I find that incentives of an individual fund to monitor a portfolio company increase with the presence of other same-style funds as shareholders in the company and increase with the holdings of other same-style funds. The results support the existence of strategic complementarities among same-style funds in monitoring. Consequently, companies that are subject to higher strategic complementarities among same-style funds receive more monitoring and make better M&A decisions. Overall, my findings shed light on a bright side of benchmarking—belonging to a same style can act as a coordination device and help mutual funds overcome the free-rider problem, contributing to governance in their portfolio companies.

Segmented Institutional Investor Attention in Deciphering Firm-Specific Information *(with Massimo Massa and Hong Zhang)*

ABSTRACT: What researchers often refer to as “firm-specific information” is complex in nature—it synchronizes news originated from different categories of economic sources. How capable institutional investors process information across different news-categories becomes crucial to market efficiency. We find that institutional investors specialized in fewer news-categories in trading better predict stock returns, implying that skillful investors face constraints in expanding their information-processing skills to different news categories. This specialization, however, reduces market informativeness, because the inattention of even a small fraction of investors may hinder information dissemination in their specialized news-categories. Our results highlight a fundamental friction to hinder market efficiency.

Conference Discussions

1. “Media-driven Comovement: Evidence from China”
by Yi Li, Dehua Shen and Wei Zhang
China International Conference in Finance (CICF), Guangzhou 2019
2. “Excess Volatility from Increasing Overreaction”
by Daniele d’Arienzo
LBS Trans-Atlantic Doctoral Conference, London 2019
3. “Colors, Emotions, and the Auction Value of Paintings”
by Marshall (Xiaoyin) Ma, Charles N. Noussair, and Luc Renneboog
SFS Cavalcade Asia-Pacific Conference, Singapore 2018
4. “Risk Tolerance, Interest Rates, and Fund Flow Dynamics”
by Woon Sau Leung and Zhongyan Zhu
Financial Management Association Conference, San Diego 2018
5. “Watching the Wolves: Unveiling the Moderating Role of Corporate Governance on CEO Power” *by Mark Humphery-Jenner, Emdad Islam, Lubna Rahman and Jo-Ann Suchard*
30th Australasian Finance and Banking Conference, Sydney 2017

Teaching Experience

Undergraduate Course Instructor, Baruch College

1. FIN3610 Corporate Finance 2021–Present

MBA Finance Core Course Tutorial Instructor, INSEAD

1. Financial Markets and Valuation 2017–2018
2. Corporate Finance Policy (Co-instructor) 2016–2017
3. Financial Markets and Valuation 2016–2017
4. Financial Markets and Valuation 2015–2016

Fellowships, Awards and Honours

- 30th AFBC PhD Forum Best Paper (First Prize) 2017
- AFA Student Travel Grant 2017
- INSEAD PhD Scholarship 2014–2019
- Davidson Prize, University of Aberdeen 2013
Awarded to the most distinguished graduate majoring in Accountancy
- University of Aberdeen Business Ideas Competition Winner 2012

Deloitte Award for Excellence in Finance	2011
Ernst & Young Prize in Accountancy Junieur Honours	2011
Hong Kong Fong Bursary Award, University of Aberdeen	2011–2013

Professional Experience

KPMG Financial Advisory, Internship	2013
KPMG Audit, Internship	2013

Others

Software: STATA, MATLAB, R, PYTHON
 Languages: Mandarin (native); English (fluent)

Reference

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