Publications
(First goal: to conduct research that I am proud of.
Second goal: to publish research in top-tier academic journals.)

Comment: This paper is easy to read and provides a good literature review for Ph.D. students.

Comment: This paper has found an untapped niche in the literature and uses panel data well.

Comment: This paper is a good read for researchers who are interested in self-selection issues and has been used in Ph.D. seminars at numerous schools.

Comment: This paper has been widely cited by premier financial press and has been used in Ph.D. seminars at numerous schools.

Comment: This paper is unique in identifying the research issue, questing for theories, and applying duration models. The paper has inspired financial theorists and is the only study cited in the introduction text of Acharya, Demarzo, and Kremer (“Endogenous information flows and the clustering of announcements,” American Economic Review, 2011, 101: 2955-2979).

Comment: This paper is one of only a few archival accounting papers examining the role of reputation in voluntary disclosure.

Comment: This paper is innovative in introducing a measure to compare document differences to the accounting literature.

Comment: This is the first empirical paper on pro forma (non-GAAP) earnings guidance. The study contributes to the literatures of street earnings, expectations management, and earnings guidance.


Comment: The article discusses two types of bias—selection bias due to observables and selection bias due to unobservables—in a unified framework and shares my observations about the applications of the propensity score matching method that addresses selection bias due to observables and the Heckman inverse-Mills-ratio method that addresses selection bias due to unobservables. The article has been used in Ph.D. seminars at numerous schools.


Comment: The article is the most extensive study about non-earnings forward-looking disclosure and an attempt to expand the management forecast literature from its narrow focus of earnings. It uses two years of data from S&P 500 firms.

We voluntarily excluded a reconciliation table from the notes for Table IV of the published version. The table reconciles the odds ratio in a multinomial logit model with the marginal effects. [Click here](#) to see the reconciliation table at the end of that document. Now I regret excluding this table.


Comment: This is the first archival study on management earnings forecast disaggregation and another attempt to expand the management forecast literature from its narrow focus of earnings. It uses two years of data from S&P 500 firms. The study has been widely cited.

We excluded Appendix C from the published version to reduce paper length. The appendix compares hand-collected earnings guidance with CIG guidance and also describes the frequency of non-GAAP earnings guidance. [Click here](#) for that appendix. Now I regret excluding this table.


Comment: The study questions the conventional wisdom of using the midpoint of range earnings forecasts as managers’ expectations.

Comment: The study is a combination of an intriguing question, well-grounded theories (e.g., herding), and excellent graphs (to Tse’s credit). We were surprised and entertained by what we found.


Comment: The study looks through consensus forecast to the gems of individual forecasts.


Comment: This discussion emphasizes the portfolio view of corporate disclosure.


Comment: This is my second paper about banks. We find that one consequence of complex financial engineering transactions is that insiders take advantage of the complexity and therefore opacity by trading for personal benefits.


Comment: The article is based my keynote speech at the Accounting Research Conference (November 2014, Beijing) organized by the Chinese Accounting Association.


Comment: We observe an interesting phenomenon that Chinese companies do not list their directors alphabetically or in any other mechanical order. We interpret the listing order of directors as board hierarchy, reflecting power allocation within the board. Our evidence suggests that empowering independent directors increases firm value through stronger monitoring. This is my first published study conducted in the Chinese setting. This is also my first study using multiple research methods (e.g., questionnaire survey and archival analysis).


Comment: We use the risk factor disclosure as a setting to examine the deterrence benefit of the SEC review of qualitative disclosures. To my knowledge, this is the second study examining the risk factor disclosure (Item 1A of 10-K filings).

20. “The effects of a mixed approach toward management earnings forecasts: Evidence from China,” with Xiaobei (Beryl) Huang, Xi Li, and Senyo Tse. Formerly titled “Mandatory vs. voluntary management earnings forecasts in China” and “The effects of

Comment: Many financial reporting and disclosure regulations are not purely through the visible hand (the government mandate) or the invisible hand (the market forces). We examine a mixed approach (one hand is visible and the other is not) in China for one of the most important disclosure regulations—management earnings forecasts—and document the pros and cons of this approach. Even though we use Chinese data, our study provides insights on information disclosure issues in developed markets and especially emerging markets.


Comment: We introduce a cool measure of product-market competition that can be used for individual firms in any given year. More important, we call researchers’ attention to the multidimensionality of product-market competition and capital-market disclosure. We will never have a single answer of “yes vs. no” or “positive vs. negative” regarding the relation between product-market competition and capital-market disclosure. Rather, the relation is contextual, and researchers have to consider the context (e.g., what aspect of competition and what type of disclosure). This is my second study using multiple research methods (e.g., experimental and archival). It cost me some gray hair to learn how to design and run experiments, but it was fun!


Comment: Our evidence suggests that even financial analysts, who serve as information specialists, are subject to limited attention. To our knowledge, this is the first study that provides direct evidence on analysts’ limited attention.


Comment: We examine the tradeoff between financial reporting relevance and comparability due to the use of the management approach for segment reporting. We propose a measure for segment income metric comparability. We find that analyst earnings forecasts are less disperse for firms that experience increased reporting relevance but decreased segment income comparability after the segment reporting rule change. The finding suggests that the tradeoff between relevance and comparability has benefited a key user group of segment reporting.


Comment: We explore whether publicly disclosed management earnings forecasts (MEFs) during the loan negotiation stage corroborate lenders’ private information and therefore lower their information risk. We find that among firms with a general policy of issuing MEFs, those providing MEFs in the six months before loan origination with a forecast horizon beyond the origination date enjoy lower loan spreads. The frequency and precision of MEFs are also negatively associated with loan spreads. The associations are stronger when lenders' need for corroboration of their private information is greater. I have enjoyed learning about debt contracting—an interesting research area. Thanks to the open-minded editor, the published version is close to and has improved from our original idea of interest.

Comment: We review how accounting researchers have applied Natural Language Processing (NLP) to textual data for automated information extraction or measurement. We overview various NLP methods in one unified framework. We discuss various approaches for establishing construct validity in the context of text-based measures. We provide guidance for NLP implementations. The icing on the cake: our coverage of the revolution of deep learning models can help readers understand what P (for “pre-training”) and T (for “transformers”) mean in the buzz word ChatGPT. Our article has greatly benefited from the input of many individuals and has been well received by accounting and finance researchers. Many scholars have considered the article a must-read for doctoral students and junior researchers.


Comment: Human capital is a major impetus for technological innovation. We examine the relation between the technological dimension of product market competition and the disclosure of skill requirements in job postings. On the one hand, technological competition may raise the urgency of recruiting tech talent and make firms provide more-specific skill requirements. On the other hand, technological competition can increase the proprietary costs of skill requirement disclosure. Using technological peer pressure as a measure of technological competition, we find that firms facing intense technological competition provide more-specific skill requirements for tech positions, suggesting that the disclosure benefits outweigh the proprietary costs when firms face pressure to innovate. Our study documents a distinct relationship between technological competition and voluntary disclosure targeted to labor market participants. The project has greatly benefited from Yi Cao’s expertise in labor economics and familiarity with Burning Glass Technologies’ job posting data.


Comment: We propose financial statement similarity as a measure of financial reporting comparability. The firm-pair version of our measure reflects the degree to which two firms report similar relations within their financial statement items; this version can help managers and market participants identify peer firms. The firm-year version of our measure reflects the degree to which a firm reports financial statement relations that are similar to other members of its industry; this version can help market participants, regulators, and auditors screen firms for further attention. Our measure uses the presence and amounts of almost all financial items reported by a firm. Our measure can be a useful tool for users. The project has greatly benefited from Guang Ma’s insights and skills.

Very grateful to my coauthors, anonymous reviewers, and editors.